

AMENDED AND RESTATED TRUST DEED

relating to the
SSE plc
Scottish Hydro Electric Power Distribution plc
Scottish Hydro Electric Transmission plc
Southern Electric Power Distribution plc
€20,000,000,000 Euro Medium Term Note Programme

Dated 1 June 2026

SSE PLC
SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
SOUTHERN ELECTRIC POWER DISTRIBUTION PLC

as Issuers

and

BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED
as Trustee

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This Amended and Restated Trust Deed is made on 1 June 2026 **between:**

- (1) **SSE PLC** (“SSE”), **SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC** (“SHEPD”), **SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC** (“SSEN Transmission”) and **SOUTHERN ELECTRIC POWER DISTRIBUTION PLC** (“SEPD”) (each an “**Issuer**” and together, the “**Issuers**”) and
- (2) **BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED** (the “**Trustee**”, which expression, where the context so admits, includes any other trustee for the time being of this Trust Deed).

Whereas:

- (A) The Issuers propose to issue from time to time euro medium term notes in an aggregate nominal amount outstanding at any one time not exceeding the Programme Limit in accordance with the Dealer Agreement (the “**Programme**”) and to be constituted under this Amended and Restated Trust Deed (hereinafter referred to as “**this Trust Deed**”).
- (B) This Trust Deed will replace the trust deed dated 6 June 2025 (the “**Original Trust Deed**”) between SSE, SHEPD, SSEN Transmission, SEPD and the Trustee in respect of all Notes issued pursuant to the Programme on or after the date of this Trust Deed save for any Notes issued on or after such date so as to be consolidated and form a single series with any Series of Notes issued before such date.
- (C) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

This Trust Deed witnesses and it is declared as follows:

1 Interpretation

1.1 Definitions: In this Trust Deed:

“**Agency Agreement**” means the Amended and Restated Agency Agreement relating to the Programme dated 6 June 2025 as amended, restated or supplemented from time to time between the Issuers, BNY Mellon Corporate Trustee Services as Trustee, The Bank of New York Mellon, London Branch as initial Issuing and Paying Agent and the other agent mentioned in it

“**Agents**” means the Issuing and Paying Agent, the other Paying Agents, the Calculation Agent, the Registrar, the other Transfer Agents or any of them

“**Arrears of Interest**” has the meaning set out in Condition 6(a) of the Conditions of the Subordinated Notes

“**Auditors**” means the auditors for the time being of the relevant Issuer or, if they are unable or unwilling to carry out any action requested of them under this Trust Deed, such other firm of accountants as may be nominated or approved by the Trustee for the purpose

“**Bearer Note**” means a Note that is in bearer form, and includes any replacement Bearer Note issued pursuant to the relevant Conditions and any temporary Global Note or permanent Global Note

“**Calculation Agent**” means any person named as such in the relevant Conditions or any Successor Calculation Agent

“Certificate” means a registered certificate representing one or more Registered Notes of the same Series and, save as provided in the relevant Conditions, comprising the entire holding by a Noteholder of his Registered Notes of that Series and, save in the case of Global Certificates, being substantially in the form set out in Schedule 2 Part B

“CGN” means a temporary Global Note in the form set out in Schedule 1 Part A or a permanent Global Note in the form set out in Schedule 1 Part B

“Clearstream, Luxembourg” means Clearstream Banking S.A.

“Common Safekeeper” means, in relation to a Series, the common safekeeper for Euroclear and Clearstream, Luxembourg appointed in respect of such Notes

“Conditions” means in respect of the Notes of each Series the terms and conditions applicable thereto which shall be substantially in the form set out in Schedule 2 Part C (in the case of Senior Notes) and Schedule 2 Part D (in the case of Subordinated Notes), as modified in each case, with respect to any Notes represented by a Global Certificate or a Global Note, by the provisions of such Global Certificate or Global Note, and shall incorporate any additional provisions forming part of such terms and conditions set out in Part A of the Final Terms relating to the Notes of that Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph of Schedule 2 Part C (in the case of Senior Notes) and Schedule 2 Part D (in the case of Subordinated Notes), as applicable, and any reference to a particularly numbered Condition shall be construed accordingly

“Contractual Currency” means, in relation to any payment obligation of any Note, the currency in which that payment obligation is expressed and, in relation to Clause 9, pounds sterling or such other currency as may be agreed between the relevant Issuer and the Trustee from time to time

“Coupons” means the bearer coupons relating to interest bearing Bearer Notes or, as the context may require, a specific number of them and includes any replacement Coupons issued pursuant to the relevant Conditions

“Dealer Agreement” means the Amended and Restated Dealer Agreement relating to the Programme dated 1 June 2026 between the Issuers, NatWest Markets Plc as the arranger and a dealer and the other dealers named in it

“Definitive Note” means a Bearer Note in definitive form having, where appropriate, Coupons and/or a Talon attached on issue and, unless the context requires otherwise, means a Certificate (other than a Global Certificate) and includes any replacement Note or Certificate issued pursuant to the relevant Conditions

“Distribution Licence” has the meaning ascribed to it in Condition 19 of the Conditions to the Senior Notes

“euro” and **“€”** mean the lawful currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union

“Euroclear” means Euroclear Bank SA/NV

“Event of Default” means an event described in Condition 11 of the Conditions of the Senior Notes that, if so required, has been certified by the Trustee to be, in its opinion, materially

prejudicial to the interests of the Noteholders, or an event described in Condition 13 of the Conditions of the Subordinated Notes.

“Excluded Subsidiary” has the meaning ascribed to it in Condition 19 of the Conditions of the Senior Notes or Condition 20 of the Conditions of the Subordinated Notes

“Extraordinary Resolution” has the meaning set out in Schedule 3

“Final Terms” means, in relation to a Tranche, the Final Terms issued specifying the relevant issue details of such Tranche, substantially in the form of Schedule C Part A (in the case of Senior Notes) or Schedule C Part B (in the case of Subordinated Notes) to the Dealer Agreement

“FSMA” means the Financial Services and Markets Act 2000

“Global Certificate” means a Certificate substantially in the form set out in Schedule 1 Part E representing Registered Notes of one or more Tranches of the same Series that are registered in the name of a nominee for Euroclear, Clearstream, Luxembourg and/or any other clearing system

“Global Note” means a temporary Global Note and/or, as the context may require, a permanent Global Note, a CGN and/or a NGN, as the context may require

“holder” in relation to a Note, Coupon or Talon, and **“Couponholder”** and **“Noteholder”** have the meanings given to them in the relevant Conditions

“Issuing and Paying Agent” means the person named as such in the relevant Conditions or any Successor Issuing and Paying Agent in each case at its specified office

“London Stock Exchange” means the London Stock Exchange plc or any body to which its functions have been transferred

“Market” means the Regulated Market of the London Stock Exchange

“NGN” means a temporary Global Note in the form set out in Part C of Schedule 1 or a permanent Global Note in the form set out in Part D of Schedule 1

“Notes” means Senior Notes or Subordinated Notes to be issued by the relevant Issuer pursuant to the Dealer Agreement, constituted by this Trust Deed and for the time being outstanding or, as the context may require, a specific number of them

“outstanding” means, in relation to the Notes, all the Notes issued except (a) those that have been redeemed in accordance with the relevant Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid to the Trustee or to the Issuing and Paying Agent as provided in Clause 2 and remain available for payment against presentation and surrender of Notes, Certificates and/or Coupons, as the case may be, (c) those that have become void or in respect of which claims have become prescribed, (d) those that have been purchased and cancelled as provided in the relevant Conditions, (e) those mutilated or defaced Bearer Notes that have been surrendered in exchange for replacement Bearer Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, (g) any temporary Global Note to the extent that it shall have been exchanged for a permanent Global Note and any Global Note to the extent that it shall have been exchanged for one or more

Definitive Notes and (h) in respect of Subordinated Notes, the Notes which have been substituted and cancelled in accordance with Condition 8 of the Conditions of the Subordinated Notes, in either case pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend any meeting of the Noteholders and vote at any meeting of the Noteholders or to participate in any Written Resolution or Electronic Consent, (2) the determination of how many Notes are outstanding for the purposes of Conditions 11 and 12 of the Conditions of the Senior Notes or Conditions 13 and 14 of the Conditions of the Subordinated Notes, and Schedule 3 in each case, (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders and (4) in respect of the Senior Notes, the certification (where relevant) by the Trustee as to whether a Potential Event of Default is in its opinion materially prejudicial to the interests of the Noteholders, those Notes that are beneficially held by or on behalf of the relevant Issuer or any of its Subsidiaries and not cancelled shall (unless no longer so held) be deemed not to remain outstanding. Save for the purposes of the proviso herein, in the case of each NGN, the Trustee shall rely on the records of Euroclear and Clearstream, Luxembourg in relation to any determination of the nominal amount outstanding of each NGN

“Paying Agents” means the persons (including the Issuing and Paying Agent) referred to as such in the relevant Conditions or any Successor Paying Agents in each case at their respective specified offices

“permanent Global Note” means a Global Note representing Bearer Notes of one or more Tranches of the same Series, either on issue or upon exchange of a temporary Global Note, or part of it, and which shall be substantially in the form set out in Part B or Part D of Schedule 1, as the case may be

“Potential Event of Default” means an event or circumstance that could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 11 of the Conditions of the Senior Notes become an Event of Default

“Principal Subsidiary” has the meaning ascribed to it in Condition 19 of the Conditions of the Senior Notes or Condition 20 of the Conditions of the Subordinated Notes

“Procedures Memorandum” means administrative procedures and guidelines relating to the settlement of issues of Notes as shall be agreed upon from time to time by the relevant Issuer, the Trustee, the Permanent Dealers (as defined in the Dealer Agreement) and the Issuing and Paying Agent and which, at the date of this Trust Deed, are set out in Schedule A to the Dealer Agreement

“Programme Limit” means the maximum aggregate nominal amount of Notes that may be issued and outstanding at any time under the Programme, as such limit may be increased pursuant to the Dealer Agreement

“Prospectus” means, subject as provided in the Dealer Agreement, the prospectus dated 1 June 2026 relating to the Notes

“Redemption Amount” means:

- (a) in the case of Senior Notes, the Final Redemption Amount, Early Redemption Amount, Make-Whole Amount, Optional Redemption Amount, Restructuring Event Redemption Amount, Change of Control Redemption Amount or SSE Restructuring Event Redemption Amount, as the case may be, all as defined in the Conditions of the Senior Notes; or

(b) in the case of Subordinated Notes, the Early Redemption Amount (Tax), Early Redemption Amount (Rating), Early Redemption Amount (Accounting), Early Redemption Amount (Change of Control), Optional Redemption Amount and Clean-up Call Optional Redemption Amount, as the case may be, all as defined in the Conditions of the Subordinated Notes

“Register” means the register maintained by the Registrar

“Registered Note” means a Note in registered form

“Registrar” means the person named as such in the relevant Conditions or any Successor Registrar in each case at its specified office

“Regulated Market” means a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018

“relevant Conditions” means, in respect of the Senior Notes, the Conditions relating to the Senior Notes and, in respect of the Subordinated Notes, the Conditions relating to the Subordinated Notes

“Relevant Subsidiary” has the meaning ascribed to it in Condition 19 of the Senior Notes or Condition 20 of the Subordinated Notes, as applicable

“Senior Note” means a Note specified as such in the applicable Final Terms

“Series” means a series of Notes comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number

“specified office” means, in relation to a Paying Agent, the Registrar or a Transfer Agent the office identified with its name at the end of the relevant Conditions or any other office approved by the Trustee and notified to Noteholders pursuant to Clause 8.15

“Subordinated Note” means a Note specified as such in the applicable Final Terms

“Subsidiary” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006

“Successor” means, in relation to an Agent such other or further person as may from time to time be appointed by each Issuer as such Agent with the written approval of, and on terms approved in writing by, the Trustee and notice of whose appointment is given to Noteholders pursuant to Clause 8.15

“Talons” mean talons for further Coupons or, as the context may require, a specific number of them and includes any replacement Talons issued pursuant to the relevant Conditions

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system

“temporary Global Note” means a Global Note representing Bearer Notes of one or more Tranches of the same Series on issue and which shall be substantially in the form set out in Part A or Part C of Schedule 1, as the case may be

“Tranche” means, in relation to a Series, those Notes which are identical in all respects

“Transfer Agents” means the persons (including the Registrar) referred to as such in the relevant Conditions or any Successor Transfer Agents in each case at their specified offices and

“trust corporation” means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees.

1.2 Construction of Certain References: References to:

1.2.1 the records of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers’ interests in the Notes

1.2.2 costs, charges, remuneration or expenses include any value added, turnover or similar tax charged in respect thereof

1.2.3 an action, remedy or method of judicial proceedings for the enforcement of creditors’ rights include references to the action, remedy or method of judicial proceedings in jurisdictions other than England as shall most nearly approximate thereto

1.2.4 unless the context otherwise requires, all references in this Agreement to interest shall, in the case of Subordinated Notes only, include any Arrears of Interest.

1.3 Headings: Headings shall be ignored in construing this Trust Deed.

1.4 Contracts: References in this Trust Deed to this Trust Deed or any other document are to this Trust Deed or those documents as amended, supplemented or replaced from time to time in relation to the Programme and include any document that amends, supplements or replaces them.

1.5 Schedules: The Schedules are part of this Trust Deed and have effect accordingly.

1.6 Alternative Clearing System: References in this Trust Deed to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system approved by the relevant Issuer, the Trustee and the Issuing and Paying Agent. In the case of NGNs, such alternative clearing system must also be authorised to hold such notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

1.7 Contracts (Rights of Third Parties) Act 1999: A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms. The consent of any person who is not a party to this Trust Deed is not required to rescind or vary this Trust Deed at any time.

2 Issue of Notes, Covenant to pay and Subordination

2.1 Issue of Notes: Each Issuer may from time to time, without the consent of the Noteholders and Couponholders of any other Series, issue Notes in Tranches of one or more Series on a continuous basis with no minimum issue size in accordance with the Dealer Agreement, save that only SSE plc can issue Subordinated Notes. Before issuing any Tranche, the relevant Issuer shall give written notice or procure that written notice is given to the Trustee of the proposed issue of such Tranche, specifying the details to be included in the relevant Final Terms. Upon the issue by such Issuer of any Notes expressed to be constituted by this

Trust Deed, such Notes shall forthwith be constituted by this Trust Deed without any further formality and irrespective of whether or not the issue of such debt securities contravenes any covenant or other restriction in this Trust Deed or the Programme Limit.

- 2.2 Separate Series:** The provisions of sub-Clauses 2.3, 2.4, 2.5 and 2.6 and of Clauses 3 to 17, Clause 20 and Schedule 3 (all inclusive) shall apply *mutatis mutandis* separately and independently to the Notes of each Series and in such Clauses and Schedule the expressions “**Noteholders**”, “**Certificates**”, “**Coupons**”, “**Couponholders**” and “**Talons**”, together with all other terms that relate to Notes or their Conditions, shall be construed as referring to those of the particular Series in question and not of all Series unless expressly so provided, so that each Series shall be constituted by a separate trust pursuant to sub-Clause 2.3 and that, unless expressly provided, events affecting one Series shall not affect any other.
- 2.3 Covenant to Pay:** The relevant Issuer shall on any date when any Notes become due to be redeemed, in whole or in part, or on such date as the same or any part thereof may become due and repayable thereunder, (subject, in the case of Subordinated Notes, to the provisions of Condition 4(a) of the Conditions of the Subordinated Notes and Clause 2.7 below) unconditionally pay to or to the order of the Trustee in the Contractual Currency, in the case of any Contractual Currency other than euro, in the principal financial centre for the Contractual Currency and in the case of euro, in a city in which banks have access to T2, in same day funds the Redemption Amount of the Notes becoming due for redemption on that date together with any applicable premium and shall (subject to the relevant Conditions and Clause 2.7 below) until such payment (both before and after judgment) unconditionally so pay to or to the order of the Trustee interest in respect of the nominal amount of the Notes outstanding as set out in the relevant Conditions (subject to sub-Clause 2.6) provided that (1) subject to the provisions of Clause 2.5 payment of any sum due in respect of the Notes made to the Issuing and Paying Agent as provided in the Agency Agreement shall, to that extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Noteholders or Couponholders under the relevant Conditions and (2) a payment made after the due date or pursuant to Condition 11 of the Conditions of the Senior Notes or Condition 13 of the Conditions of the Subordinated Notes shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent or the Trustee and notice to that effect has been given to the Noteholders (if required under Clause 8.10), except to the extent that there is failure in its subsequent payment to the relevant Noteholders or Couponholders under the relevant Conditions. This covenant shall only have effect each time Notes are issued and outstanding, when the Trustee shall hold the benefit of this covenant on trust for the Noteholders and Couponholders of the relevant Series.
- 2.4 Discharge:** Subject to sub-Clause 2.5, any payment to be made in respect of the Notes or the Coupons by the relevant Issuer or the Trustee may be made as provided in the relevant Conditions and any payment so made shall (subject to sub-Clause 2.5) to that extent be a good discharge to the relevant Issuer or the Trustee, as the case may be (including, in the case of Notes represented by a NGN, whether or not the corresponding entries have been made in the records of Euroclear and Clearstream, Luxembourg).
- 2.5 Payment after a Default:** At any time after an Event of Default or (in respect of Senior Notes only) a Potential Event of Default has occurred the Trustee may:

2.5.1 by notice in writing to the relevant Issuer, the Paying Agents and the Transfer Agents, require the Paying Agents and the Transfer Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law:

- (i) to act as Paying Agents and Transfer Agents of the Trustee under this Trust Deed and the Notes on the terms of the Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and expenses of the Paying Agents and the Transfer Agents shall be limited to the amounts for the time being held by the Trustee in respect of the Notes on the terms of this Trust Deed) and thereafter to hold all Notes, Certificates, Coupons and Talons and all moneys, documents and records held by them in respect of Notes, Certificates, Coupons and Talons to the order of the Trustee or
- (ii) to deliver all Notes, Certificates, Coupons and Talons and all moneys, documents and records held by them in respect of the Notes, Certificates, Coupons and Talons to the Trustee or as the Trustee directs in such notice and

2.5.2 by notice in writing to the relevant Issuer require it to make all subsequent payments in respect of the Notes, Coupons and Talons to or to the order of the Trustee and not to the Issuing and Paying Agent with effect from the issue of any such notice to such Issuer; and from then until such notice is withdrawn, proviso (1) to Clause 2.3 above shall cease to have effect.

2.6 Rate of Interest After a Default: If the Notes bear interest at a floating or other variable rate and they become immediately payable under the relevant Conditions, the rate of interest payable in respect of them shall continue to be calculated by the Calculation Agent in accordance with the relevant Conditions (with consequential amendments as necessary) except that the rates of interest need not be published unless the Trustee otherwise requires. The first period in respect of which interest shall be so calculable shall commence on the expiry of the Interest Period during which the Notes become so repayable.

2.7 Subordination:

2.7.1 The rights and claims of the Trustee, the Noteholders and the Couponholders against SSE plc are, subject to subclause (b) below, subordinated on a winding-up or administration of SSE plc as provided in Condition 4(a) of the Conditions of the Subordinated Notes.

2.7.2 If at any time an order is made or an effective resolution is passed for the winding-up of SSE plc (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of SSE plc of a "successor in business" of SSE plc, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved in writing by the Trustee or by an Extraordinary Resolution and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with the Conditions) or an administrator of SSE plc has been appointed and such administrator gives notice that it intends to declare and distribute a dividend, there shall be payable by SSE plc on each Note (in lieu of any other payment by SSE plc) such amount as is provided in Condition 4(a) of the Conditions of the Subordinated Notes.

2.7.3 The provisions of this Clause 2.7 and Condition 4(a) of the Conditions of the Subordinated Notes apply only to the principal, premium and interest and any other amounts payable in respect of the Subordinated Notes and nothing in this Clause 2.7 or Condition 4 of the Subordinated Notes shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof and, in its personal capacity, the Trustee shall rank as a holder of Senior Obligations of SSE plc.

2.7.4 Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by SSE plc in respect of, or arising under or in connection with the Subordinated Notes or Coupons and each Noteholder or Couponholder shall, by virtue of its holding of any Subordinated Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

3 Form of the Notes

3.1 The Global Notes: The Notes of each Tranche shall initially be represented by a temporary Global Note, a permanent Global Note or one or more Certificates in the nominal amount of the Tranche being issued. Interests in temporary Global Notes shall be exchangeable for Definitive Notes or interests in permanent Global Notes as set out in each temporary Global Note. Interests in permanent Global Notes shall be exchangeable for Definitive Notes as set out in each permanent Global Note.

3.2 The Definitive Notes: The Definitive Notes, Coupons and Talons shall be security printed and the Certificates shall be printed, in each case in accordance with applicable legal and stock exchange requirements substantially in the forms set out in Schedule 2. The Notes and Certificates (other than Global Certificates) shall be endorsed with the Conditions.

3.3 Signature: The Notes, Certificates, Coupons and Talons shall be signed electronically, manually or in facsimile by a duly authorised signatory of the relevant Issuer, the Notes shall be authenticated by or on behalf of the Issuing and Paying Agent and the Certificates shall be authenticated by or on behalf of the Registrar. The relevant Issuer may use the facsimile signature of a person who at the date of this Trust Deed is such a duly authorised signatory even if at the time of issue of any Notes, Certificates, Coupons or Talons he is no longer so authorised. In the case of a Global Note which is a NGN, the Issuing and Paying Agent shall also instruct the Common Safekeeper to effectuate the same. Notes, Certificates, Coupons and Talons so executed and authenticated (and effectuated, if applicable) shall be or, in the case of Certificates, represent binding and valid obligations of the relevant Issuer.

4 Stamp Duties and Taxes

4.1 Stamp Duties: The relevant Issuer shall pay any stamp, issue, documentary or other taxes and duties, including interest and penalties, payable in Belgium, Luxembourg, the United Kingdom and the country of each Contractual Currency in respect of the creation, issue and offering of the Notes, Certificates, Coupons and Talons and the execution or delivery of this Trust Deed. The relevant Issuer shall also indemnify the Trustee, the Noteholders and the Couponholders from and against all stamp, issue, documentary or other taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Trustee or, as the case may be, the Noteholders or the Couponholders to enforce the relevant Issuer's obligations under this Trust Deed or the Notes, Certificates, Coupons or Talons.

4.2 Taxation: If such Issuer shall become subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority therein or thereof having power to tax other than or in addition to the United Kingdom or any such political sub-division thereof or any such authority therein or thereof, immediately upon becoming aware thereof notify the Trustee of such event and (unless the Trustee otherwise agrees) enter forthwith into a trust deed supplemental to this Trust Deed, giving to the Trustee an undertaking or covenant in form and manner satisfactory to the Trustee in terms corresponding to the terms of Condition 9 of the Conditions of the Senior Notes or Condition 11 of the Conditions of the Subordinated Notes, as applicable, with the substitution for (or, as the case may be, the addition to) the references therein to the United Kingdom or any political sub-division thereof or any authority therein or thereof having power to tax of references to that other or additional territory or any political sub-division thereof or any authority therein or thereof having power to tax to whose taxing jurisdiction such Issuer shall have become subject as aforesaid such trust deed also (where applicable) to modify Condition 6(c) of the Conditions of the Senior Notes or the definition of "Relevant Taxing Jurisdiction" in the Conditions of the Subordinated Notes, as applicable, so that such Condition or definition shall make reference to the other or additional territory, any political sub-division thereof and any authority therein or thereof having power to tax.

5 Application of moneys received by the Trustee

5.1 Declaration of Trust: All moneys received by the Trustee in respect of the Notes or amounts payable under this Trust Deed shall, despite any appropriation of all or part of them by the relevant Issuer, be held by the Trustee on trust to apply them (subject to Clause 5.2):

first, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee (including remuneration payable to it) in carrying out its functions under this Trust Deed

secondly, in payment of any amounts owing in respect of the Notes or Coupons *pari passu* and rateably and

thirdly, in payment of any balance to the relevant Issuer for itself.

If the Trustee holds any moneys in respect of Notes or Coupons that have become void or in respect of which claims have become prescribed, the Trustee shall hold them on these trusts.

5.2 Accumulation: If the amount of the moneys at any time available for payment in respect of the Notes under sub-Clause 5.1 is less than 10 per cent of the nominal amount of the Notes then outstanding, the Trustee may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent of the nominal amount of the Notes then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) shall be applied as specified in sub-Clause 5.1.

5.3 Investment: Moneys held by the Trustee may be invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a Subsidiary, holding or associated company of the Trustee, it need only account for an

amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may at any time vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and shall not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise.

5.4 Appropriation of Moneys: If, when the Trustee receives moneys under this Trust Deed, amounts are also due but unpaid under another obligation owed by the relevant Issuer for which it is Trustee (including other Series of Notes constituted by this Trust Deed), the Trustee shall apportion such moneys rateably between this trust and such other trust or trusts unless that other obligation is subordinated to the Notes.

6 Enforcement

6.1 Proceedings brought by the Trustee in relation to Senior Notes: At any time after the Senior Notes of any Series shall have become immediately due and repayable, the Trustee may at its discretion and without further notice take such proceedings as it may think fit against the relevant Issuer to enforce repayment thereof together with premium (if any) and accrued interest and any other moneys payable pursuant to this Trust Deed.

6.2 Proof of default: Should the Trustee take legal proceedings against the relevant Issuer to enforce any of the provisions of this Trust Deed:

6.2.1 proof therein that as regards any specified Note the relevant Issuer has made default in paying any principal, premium or interest due in respect of such Note shall (unless the contrary be proved) be sufficient evidence that such Issuer has made the like default as regards all other Notes which are then due and repayable and

6.2.2 proof therein that as regards any specified Coupon the relevant Issuer has made default in paying any interest due in respect of such Coupon shall (unless the contrary be proved) be sufficient evidence that such Issuer has made the like default as regards all other Coupons which are then due and payable.

6.3 Proceedings brought by the Trustee in relation to Subordinated Notes: If an Event of Default occurs, then SSE plc shall without notice from the Trustee be deemed to be in default under these presents, the Notes and the Coupons and the Trustee at its sole discretion may, and if so requested in writing by the Noteholders of at least one-quarter in nominal amount of the Notes then outstanding or if so requested by an Extraordinary Resolution of the Noteholders shall (subject to Condition 13(c) of the Conditions of the Subordinated Notes and Clause 7.3), institute actions, steps or proceedings for the winding-up of SSE plc and/or prove in the winding-up or administration of SSE plc and/or claim in the liquidation or administration of SSE plc for such payment and such claim being subordinated as provided in Condition 4(a) of the Conditions of the Subordinated Notes. The Trustee may at its discretion (subject to Condition 13(c) of the Conditions of the Subordinated Notes and Clause 7.3) and without further notice, institute such actions, steps or proceedings against SSE plc as it may think fit to enforce any term or condition binding on SSE plc under these presents in respect of the Subordinated Notes or under the Subordinated Notes but in no event shall SSE plc by virtue of the institution of any such actions, steps or proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

7 Proceedings

7.1 Action taken by Trustee in relation to Senior Notes: The Trustee shall not be bound to take any such proceedings as are mentioned in Clause 6.1 unless respectively directed or requested to do so (i) by an Extraordinary Resolution or (ii) in writing by the holders of at least one-quarter in nominal amount of the Senior Notes of the relevant Series then outstanding and in either case then only if it shall be indemnified and/or secured to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

7.2 Trustee only to enforce in relation to Senior Notes: In respect of the Senior Notes, only the Trustee may enforce the provisions of this Trust Deed. No holder in respect of the Senior Notes shall be entitled to proceed directly against the relevant Issuer to enforce the performance of any of the provisions of this Trust Deed unless the Trustee having become bound as aforesaid to take proceedings fails to do so within a reasonable period and such failure shall be continuing.

7.3 Action and indemnification in relation to Subordinated Notes:

7.3.1 The Trustee shall not be bound to take any of the actions referred to in Condition 13(a) or Condition 13(b) of the Conditions of the Subordinated Notes or Clause 6.3 against SSE plc to enforce the terms of these presents or the Subordinated Notes or take any other action or step unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders of the Subordinated Notes or in writing by the Noteholders of at least one-quarter in nominal amount of the Subordinated Notes then outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

7.3.2 No Noteholder or Couponholder in respect of Subordinated Notes shall be entitled to proceed directly against SSE plc or to institute actions, steps or proceedings for the winding-up of SSE plc and/or prove in the winding-up or administration of SSE plc and/or claim in the liquidation or administration of SSE plc unless the Trustee, having become so bound to proceed, institute, prove or claim, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder of the Subordinated Notes or Couponholder shall have only such rights against SSE plc as those which the Trustee is entitled to exercise as set out in this Clause 7.3 and Condition 13 of the Subordinated Notes.

7.3.3 No remedy against SSE plc, other than as referred to in Condition 13 of the Subordinated Notes, shall be available to the Trustee (on behalf of the Noteholders of Subordinated Notes or the Couponholders) or to the Noteholders of the Subordinated Notes or the Couponholders, whether for the recovery of amounts owing in respect of the Subordinated Notes or under these presents (including Clause 29 hereof) or in respect of any breach by SSE plc of any of its other obligations under or in respect of the Subordinated Notes or under these presents in respect thereof.

8 Covenants

So long as any Note is outstanding, the relevant Issuer severally covenants (as to itself only) that it shall:

- 8.1 Conduct of Affairs:** at all times carry on and conduct its affairs in a proper manner
- 8.2 Books of Account:** keep, and procure that each of its Principal Subsidiaries keeps, proper books of account and, at any time after an Event of Default or (in the case of Senior Notes only) Potential Event of Default has occurred or if the Trustee reasonably believes that such an event has occurred, so far as permitted by applicable law, allow, and procure that each such Principal Subsidiary shall allow, the Trustee and anyone appointed by it to whom such Issuer and/or the relevant Principal Subsidiary has no reasonable objection, access to its books of account at all reasonable times during normal business hours
- 8.3 Notice of Events of Default:** notify the Trustee in writing immediately on becoming aware of the occurrence of any Event of Default or (in the case of Senior Notes only) Potential Event of Default
- 8.4 Information:** so far as permitted by applicable law, give or procure to be given to the Trustee such information as it reasonably requires to perform its functions
- 8.5 Financial Statements etc.:** send to the Trustee as soon as practicable after the time of their issue and in the case of annual financial statements in any event within 120 days of the end of each financial year, and in the case of any interim financial statements, in any event within 90 days of the end of the relevant financial period, three copies in English of every balance sheet, profit and loss account, report or other notice, statement or circular issued, or that legally or contractually should be issued, to the members or creditors (or any class of them) of the relevant Issuer or any holding company thereof generally in their capacity as such
- 8.6 Accounts:** cause to be prepared and certified by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the London Stock Exchange
- 8.7 Certificate of Directors:** send to the Trustee, promptly and in any event within 180 days after the end of each financial period, and also within 14 days of any request by the Trustee a certificate of the relevant Issuer signed by any two of its directors that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the relevant Issuer as at a date (the “**Certification Date**”) not more than seven days before the date of the certificate (a) in respect of the Senior Notes, no Event of Default or Potential Event of Default or (in respect of SHEPD, SSEN Transmission or SEPD) Restructuring Event or (in respect of SSE) SSE Restructuring Event or Change of Control (each term as defined in the Conditions) or (b) in respect of the Subordinated Notes, no Event of Default, Compulsory Arrears of Interest Settlement Event (only if, at the time of such Compulsory Arrears of Interest Settlement Event, Arrears of Interest is outstanding), Special Event, Change of Control or Change of Control Event or any of the events specified in Conditions 4(a)(i) or (ii) of the Conditions of the Subordinated Notes, or other breach of this Trust Deed had occurred since the Certification Date of the last such certificate or (if none) the date of this Trust Deed or, if such an event had occurred, giving details of it
- 8.8 Notices to Noteholders:** obtain the prior approval of the Trustee to, and send to the Trustee the form of, each notice to be given by the relevant Issuer to Noteholders and, once given, four copies of each such notice, such notice to be in a form approved by the Trustee (such approval, unless so expressed, not to constitute approval for the purposes of section 21 of the FSMA of any such notice which is a communication within the meaning of section 21 of the FSMA)

- 8.9 Further Acts:** so far as permitted by applicable law, do such further things as may be necessary in the reasonable opinion of the Trustee (having regard to the interests of Noteholders) to give effect to this Trust Deed
- 8.10 Notice of Late Payment (Noteholders):** forthwith upon request by the Trustee give notice to the Noteholders of any unconditional payment to the Issuing and Paying Agent or the Trustee of any sum due in respect of the Notes or Coupons made after the due date for such payment
- 8.11 Notice of Late Payment (Trustee):** use all reasonable endeavours to procure the Principal Paying Agent to notify the Trustee forthwith in the event that it does not, on or before the due date for any payment in respect of the Notes or Coupons, receive unconditionally pursuant to the Agency Agreement payment of the full amount in the requisite currency of the moneys payable on such due date on all such Notes or Coupons, as the case may be
- 8.12 Listing and Trading:** use all reasonable endeavours to maintain the listing of the Notes on the official list of the Financial Conduct Authority acting under Part VI of the FSMA and the trading of such Notes on the Market but, if it is unable to do so, having used such endeavours, or if the maintenance of such listing or trading is agreed by the Trustee acting reasonably (having regard to the interests of Noteholders) to be unduly onerous and the Trustee is satisfied that the interests of the Noteholders would not be thereby materially prejudiced, instead use all reasonable endeavours to obtain and maintain a listing of the Notes on another stock exchange and/or admission to trading on another market, in each case approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders)
- 8.13 Maintenance of Agents:** at all times maintain an Issuing and Paying Agent, a Paying Agent, a Calculation Agent, a Registrar and a Transfer Agent in accordance with the relevant Conditions and, in the case of any Paying Agent and the Registrar, so long as any of the Notes or Coupons remain liable to prescription
- 8.14 Agency Agreement:** comply with and perform all its obligations under the Agency Agreement and use all reasonable endeavours to procure that the Issuing and Paying Agent, the Paying Agents, the Registrar, the Calculation Agent and the Transfer Agents comply with and perform all their respective obligations thereunder and not make any amendment or modification to such Agreement without the prior written approval of the Trustee
- 8.15 Change in Agents:** give at least 30 days' prior notice or, in the case of a termination under Clause 18.5 of the Agency Agreement, notice as soon as practicable to the Noteholders of any future appointment, resignation or removal of an Agent or of any change by an Agent of its specified office and not make any such appointment or removal without the Trustee's written approval
- 8.16 Provision of Legal Opinions:** procure the delivery of legal opinions addressed to the Trustee dated the date of such delivery, in form and content acceptable to the Trustee:
- 8.16.1** from CMS Cameron McKenna Nabarro Olswang LLP, legal advisers to SSE, SHEPD and SSEN Transmission as to Scottish law and Linklaters LLP, legal advisers to the Dealers and the Trustee as to English law on each occasion when the Prospectus is updated and on the date of any amendment to this Trust Deed
- 8.16.2** from legal advisers, reasonably acceptable to the Trustee as to such law as may reasonably be requested by the Trustee, on the issue date for the Notes in the event of a proposed issue of Notes of such a nature and having such features as might

lead the Trustee, acting reasonably, to conclude that it would be prudent, having regard to the interests of Noteholders and such nature and features, to obtain such legal opinion(s) or in the event that the Trustee considers it prudent in view of a change (or proposed change) in (or in the interpretation or application of) any applicable law, regulation or circumstance affecting the relevant Issuer, the Trustee, the Notes, the Certificates, the Coupons, the Talons, this Trust Deed or the Agency Agreement and

8.16.3 on each occasion on which a legal opinion is given to any Dealer in relation to any Notes pursuant to the Dealer Agreement from the legal adviser giving such opinion

8.17 Notes Held by Issuer etc.: send to the Trustee as soon as practicable after being so requested by the Trustee a certificate of the relevant Issuer signed by any two of its directors stating the number of Notes held at the date of such certificate by or on behalf of such Issuer or its Subsidiaries

8.18 Principal Subsidiaries: give to the Trustee (i) at the same time as sending to it the certificates referred to in Clause 8.7 above and in any event not later than 180 days after the last day of each financial period of such Issuer or within 28 days of a request by the Trustee a certificate of the relevant Issuer signed by any two of its directors listing as at such last day, all (if any) Subsidiaries, Principal Subsidiaries (in respect of Senior Notes only), Excluded Subsidiaries and Relevant Subsidiaries of such Issuer for the purposes of the relevant Conditions and (in respect of the Senior Notes only) a certificate of the relevant Issuer signed by any two of its directors stating the Capital and Reserves and (ii) (in respect of the Senior Notes only) within 4 business days of any request by the Trustee a certificate of the relevant Issuer signed by any two of its directors stating the Capital and Reserves where the Trustee states that it has reason to believe that an Event of Default or Potential Event of Default may have occurred within Condition 11(iii) of the Conditions of the Senior Notes and (iii) (in respect of the Senior Notes only) within 14 days of any request by the Trustee a certificate of the relevant Issuer signed by any two of its directors stating the Capital and Reserves for the purposes of Condition 4 of the Conditions of the Senior Notes. The Trustee shall be entitled to rely on any certificate provided pursuant to this Clause 8.18 and in doing so shall incur no liability to any person for so doing

8.19 Acquisitions and Disposals: give to the Trustee, as soon as reasonably practicable after the acquisition or disposal of any company which thereby becomes or ceases to be a Principal Subsidiary (in respect of Senior Notes) or Subsidiary (in respect of Subordinated Notes) of such Issuer or after any transfer is made to any Subsidiary of such Issuer which thereby becomes a Principal Subsidiary (in respect of Senior Notes) or Subsidiary (in respect of Subordinated Notes), a certificate of the relevant Issuer signed by any two of its directors to such effect

8.20 Documents for Inspection: use all reasonable endeavours to procure that each of the Paying Agents makes available for inspection by Noteholders and Couponholders at its specified office copies of this Trust Deed, the Agency Agreement and, as soon as practicable after the date of publication thereof, the then latest audited financial statements (consolidated if applicable) of such Issuer

8.21 Restructuring Event and Change of Control:

8.21.1 (in respect of SHEPD, SSEN Transmission and SEPD in respect of Senior Notes only), if applicable, forthwith give notice in writing to the Trustee of:

- (i) the occurrence of any Restructuring Event or of any event (a “**Potential Restructuring Event**”) which, depending on any certification as provided in the definition of “**Restructuring Event**”, may be a Restructuring Event;
 - (ii) (if at the time any Restructuring Event occurs any Notes are rated) the occurrence of any Rating Downgrade as a result, or in respect, of that Restructuring Event (as provided in Condition 6(e)(ii)(A)(I) of the Conditions of the Senior Notes within the Restructuring Period; and
 - (iii) (if at the time any Restructuring Event occurs the Notes are not rated) the obtaining of a rating in accordance with the definition of “**Negative Rating Event**” or the occurrence of a Negative Rating Event; and
- 8.21.2** (in respect of SSE in respect of Senior Notes only), if applicable, forthwith give notice in writing to the Trustee of:
- (i) the occurrence of any SSE Restructuring Event or of any Potential SSE Restructuring Event or of any Change of Control or Change of Control Put Event or of any event which could lead to the occurrence of, or could constitute, a Change of Control (a “**Potential Change of Control**”);
 - (ii) (if at the time any SSE Restructuring Event or Change of Control occurs any Notes are rated) the occurrence of any SSE Rating Downgrade or Change of Control Rating Downgrade, as applicable, as a result, or in respect, of that SSE Restructuring Event or Change of Control (as provided in the Conditions); and
 - (iii) (if at the time any SSE Restructuring Event or Change of Control occurs the Notes are not rated) the obtaining of a rating in accordance with the definition of “**SSE Negative Rating Event**” or “**Change of Control Negative Rating Event**” or the occurrence of a SSE Negative Rating Event or Change of Control Negative Rating Event

8.22 Determination of Restructuring Event:

- 8.22.1** (in respect of SHEPD, SSEN Transmission and SEPD in respect of Senior Notes only), if applicable, send to the Trustee within 14 days of any request by the Trustee (such request only to be made after consultation with such Issuer or after such Issuer has failed or refused to be consulted) a certificate signed by any two directors of such Issuer giving their opinion on any matter relating to or on any aspect of a Potential Restructuring Event (as defined in Clause 8.21.1) requested by the Trustee and in forming an opinion on whether the Potential Restructuring Event is a Restructuring Event the Trustee shall be entitled, but not bound, to rely solely on such certificate and if it does so rely, such certificate, and the determination of the Trustee (in reliance on such certificate) as to whether or not a Restructuring Event has occurred, shall be binding on the relevant Issuer, the Noteholders and the Couponholders and the Trustee shall incur no liability to any person for so relying on such certificate and
- 8.22.2** (in respect of SSE in respect of Senior Notes only), if applicable, send to the Trustee, forthwith upon becoming aware of any Potential SSE Restructuring Event, (a) the relevant Directors’ Report (as defined in the Conditions) and (b) to the extent permitted by the terms of the engagement letter between the Issuer and the Reporting Accountants (as defined in the Conditions), provide or procure that the

Reporting Accountants provide the Trustee with a copy of the Accountants' Report (as defined in the Conditions). The Directors' Report and the Accountants' Report shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders. The Trustee shall be entitled to act, or not act, and rely on without being expected to verify the accuracy of the same (and shall have no liability to Noteholders for doing so) any Directors' Report and/or any Accountants' Report provided to it (whether or not addressed to it and whether or not the Accountants' Report contains a limit on the liability of the Reporting Accountants by reference to a monetary cap or otherwise). In determining whether or not a SSE Restructuring Event has occurred, the Trustee shall be entitled to request a certificate signed by any two directors of the Issuer confirming whether or not a SSE Restructuring Event has occurred (which certificate may be incorporated in the Directors' Report) and the Trustee shall be entitled, but not bound, to rely solely on any such opinion or confirmation given in such certificate signed by two directors of the Issuer.

8.23 Notification of a Special Event and/or a Compulsory Arrears of Interest Settlement Event: in respect of Subordinated Notes, upon becoming aware of the same forthwith give notice in writing to the Trustee of the occurrence of a Compulsory Arrears of Interest Settlement Event (only if, at the time of such Compulsory Arrears of Interest Settlement Event any Arrears of Interest is outstanding), Special Event, Change of Control, Change of Control Event or any of the events specified in Condition 4(a)(i) or (ii) of the Conditions of the Subordinated Notes.

8.24 Early Redemption, Substitution or Variation: in respect of Subordinated Notes, give notice to the Trustee of any proposed early redemption of the Subordinated Notes in accordance with Condition 7 of the Conditions of the Subordinated Notes and any proposed substitution or variation in accordance with Condition 8 of the Conditions of the Subordinated Notes at least five Business Days (or such shorter time as the Trustee may reasonably agree) prior to giving notice of such redemption, substitution or variation to the holders of Subordinated Notes pursuant to Condition 18 of the Conditions of the Subordinated Notes and provide the Trustee with satisfactory evidence that (where applicable) all conditions to such redemption, substitution or variation have been or will be satisfied (including such certificates and opinions as required by Condition 9 of the Conditions of the Subordinated Notes).

9 Remuneration and Indemnification of the Trustee

9.1 Normal Remuneration: So long as any Note is outstanding each Issuer shall pay the Trustee as remuneration for its services as Trustee such sum on such dates in each case as they may from time to time agree. Such remuneration shall accrue from day to day from the date of this Trust Deed. However, if any payment to a Noteholder or Couponholder of moneys due in respect of any Note or Coupon is improperly withheld or refused, such remuneration shall again accrue as from the date of such withholding or refusal until payment to such Noteholder or Couponholder is duly made.

9.2 Extra Remuneration: If an Event of Default or (in respect of Senior Notes only) Potential Event of Default shall have occurred or if the Trustee finds it expedient or necessary or is requested by any Issuer to undertake duties that they both agree to be of an exceptional nature or otherwise outside the scope of the Trustee's normal duties under this Trust Deed, the relevant Issuer shall pay such additional remuneration as they may agree or, failing

agreement as to any of the matters in this sub-Clause (or as to such sums referred to in sub-Clause 9.1), as determined by an investment bank (acting as an expert) selected by the Trustee and approved by such Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales. The expenses involved in such nomination and such investment bank's fee shall borne by such Issuer. The determination of such investment bank shall be conclusive and binding on the relevant Issuer, the Trustee, the Noteholders and the Couponholders.

9.3 Expenses: Each Issuer shall also on demand by the Trustee pay or discharge all costs, charges, liabilities and expenses properly incurred by the Trustee in the preparation and execution of this Trust Deed and the performance of its functions under this Trust Deed including, but not limited to, legal and travelling expenses and any stamp, documentary or other taxes or duties paid by the Trustee in connection with any legal proceedings reasonably brought or contemplated by the Trustee against any Issuer to enforce any provision of this Trust Deed, the Notes, the Coupons or the Talons. Such costs, charges, liabilities and expenses shall:

9.3.1 in the case of payments made by the Trustee before such demand, carry interest from the date of the demand at the rate of two per cent. per annum over The Bank of New York Mellon, London Branch Base Rate from time to time and

9.3.2 in other cases, carry interest at such rate from 30 days after the date of the demand or (where the demand specifies that payment is to be made on an earlier date) from such earlier date.

9.4 Indemnity: Each Issuer will on demand by the Trustee indemnify it in respect of Amounts or Claims paid or incurred by it in acting as trustee under this Trust Deed (including (1) any Agent/Delegate Liabilities and (2) in respect of disputing or defending any Amounts or Claims made against the Trustee or any Agent/Delegate Liabilities). Each Issuer will on demand by such agent or delegate indemnify it against such Agent/Delegate Liabilities. "**Amounts or Claims**" are losses, liabilities, costs, claims, actions, demands or expenses and "**Agent/Delegate Liabilities**" are Amounts or Claims which the Trustee is or would be obliged to pay or reimburse to any of its agents or delegates appointed pursuant to, and accordance with, this Trust Deed. The Contracts (Rights of Third Parties) Act 1999 applies to this Clause 9.4.

9.5 Consequential Loss: Notwithstanding any provision of this Trust Deed to the contrary, the Trustee shall not in any event be liable for indirect, punitive or consequential loss or special damages or other such damage of any kind whatsoever (including but not limited to lost profits), whether or not foreseeable.

9.6 Continuing Effect: Sub-Clauses 9.3 and 9.4 shall continue in full force and effect as regards the Trustee even if it no longer is Trustee.

10 Provisions supplemental to the Trustee Act 1925 and the Trustee Act 2000

10.1 Advice: The Trustee may act on the advice or opinion of or any information obtained from any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert whether obtained by or addressed to the relevant Issuer, the Trustee or otherwise, and in particular may seek and act on such expert advice as it considers appropriate for the purposes of determining whether or not an Event of Default or (in respect of SHEPD, SSEN Transmission or SEPD only) a Restructuring Event or (in respect of SSE only) a Change of Control or SSE Restructuring Event or (in the case of Subordinated Notes only) any Compulsory Arrears of

Interest Settlement Event (only if, at the time of such Compulsory Arrears of Interest Settlement Event, any Arrears of Interest is outstanding), Special Event, Change of Control or Change of Control Event has occurred, and, provided that (where it has appointed the relevant person) it shall have exercised proper care in the selection of such person, shall not be responsible for any liability occasioned by so acting. The Trustee may rely without liability to Noteholders or Couponholders on any certificate or report prepared by the Auditors pursuant to the relevant Conditions or this Trust Deed, whether or not addressed to it and whether or not the Auditors' liability in respect thereof is limited by a monetary cap or otherwise. Any such opinion, advice or information may be sent or obtained by letter, electronic communication or fax and the Trustee shall not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic.

- 10.2 Trustee to Assume Performance:** The Trustee need not notify anyone of the execution of this Trust Deed or do anything to find out if an (i) in respect of Senior Notes only, Event of Default or Potential Event of Default or (in respect of SHEPD, SSEN Transmission or SEPD only) Restructuring Event or Potential Restructuring Event or Negative Rating Event or (in respect of SSE only) Change of Control or Potential Change of Control or Change of Control Put Event or Change of Control Rating Downgrade or Change of Control Negative Rating Event or SSE Restructuring Event or Potential SSE Restructuring Event or SSE Rating Downgrade or SSE Restructuring Event Put Event or SSE Negative Rating Event, or (ii) in respect of Subordinated Notes only, Event of Default, Compulsory Arrears of Interest Settlement Event (only if, at the time of such Compulsory Arrears of Interest Settlement Event, any Arrears of Interest is outstanding), Special Event, Change of Control or Change of Control Event, has occurred. Until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that each Issuer is performing all its obligations under this Trust Deed, the Notes, the Coupons and the Talons.
- 10.3 Resolutions of Noteholders:** The Trustee shall not be liable to any person by reason of having acted in good faith upon any resolution purporting (i) to have been passed at any meeting of Noteholders in respect whereof minutes have been made and signed or (ii) to be a written resolution or electronic consent made in accordance with Schedule 3, even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon such Noteholders or any Couponholders.
- 10.4 Certificate Signed by Directors:** If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any two directors of the relevant Issuer as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and shall not be responsible for any loss or liability that may be occasioned by it or any other person acting on such a certificate (including any certificate provided by the Issuer in accordance with clauses 8.18 and 8.19 of this Trust Deed).
- 10.5 Deposit of Documents:** The Trustee shall be at liberty to hold or to deposit this Trust Deed and any other documents in any part of the world with any banker or banking company or company whose business includes undertaking the safe custody of documents or lawyer or firm of lawyers and, provided that it shall have exercised proper care in the selection of such person, the Trustee shall not be responsible for or required to insure against any liability incurred in connection with any such deposit and may pay all sums required to be paid on

account of or in respect of any such deposit. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

- 10.6 Discretion:** The Trustee shall have absolute and uncontrolled discretion as to the exercise of its trusts, powers, authorities and discretions under this Trust Deed (the exercise of which as between the Trustee and the relevant Noteholders and relevant Couponholders shall be conclusive and binding on such Noteholders and Couponholders) and shall not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience that may result from their exercise or non-exercise.
- 10.7 Agents:** The Trustee may, in the conduct of its trust business under this Trust Deed, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money).
- 10.8 Consents:** Any consent or approval given by the Trustee for the purposes of these presents may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in these presents may be given retrospectively.
- 10.9 Nominees:** In relation to any asset held by it under this Trust Deed, the Trustee may appoint any person to act as its nominee on any terms.
- 10.10 Forged Notes:** The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Note, Certificate, Coupon or Talon purporting to be such and later found to be forged or not authentic.
- 10.11 Confidentiality:** The Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Noteholder or Couponholder any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by any Issuer or any other person in connection with these presents and no Noteholders or Couponholder shall be entitled to take any action to obtain from the Trustee any such information.
- 10.12 Determinations Conclusive:** As between itself and the Noteholders and Couponholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, the Noteholders and the Couponholders.
- 10.13 Interests of Noteholders:** In connection with the exercise by it of any of its trusts, powers, authorities and discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or the Couponholders 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 or Couponholder be entitled to claim, from any Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or the Couponholders except to the extent already provided for in Condition 9 of the Conditions of the Senior Notes or Condition 11 of the Conditions of the

Subordinated Notes, as applicable, and/or any undertaking given in addition thereto or in substitution therefor under these presents.

- 10.14 Professional Charges:** Any Trustee under this Trust Deed being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of these presents and also his charges properly incurred in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with these presents.
- 10.15 Delegation:** The Trustee may, whenever it thinks fit and after such consultation (if any) with the relevant Issuer as the Trustee may consider to be practicable, delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of these presents or not) all or any of its trusts, powers, authorities and discretions under this Trust Deed. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Noteholders think fit. The Trustee shall as soon as reasonably practicable after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuers. Notwithstanding the above, the Trustee may not delegate the right to give written notice to the relevant Issuer that any Notes are immediately due and repayable unless prior to such delegation the Trustee provides to such Issuer confirmation in writing that the Trustee has been advised by its legal advisers that it should delegate that right (with or without any other rights, trusts, powers, authorities and discretions) to another person or fluctuating body of persons because of a conflict of interest or possible conflict of interest and/or other similar circumstances which the Trustee might face, or be subjected to, as the trustee of these presents if it were not to delegate that right.
- 10.16 Currency Conversion:** Where it is necessary or desirable to convert any sum from one currency to another, it shall (unless otherwise provided hereby or in the relevant Conditions of the relevant Notes, as applicable, or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the relevant Issuer, the Noteholders and the Couponholders.
- 10.17 Events of Default:** The Trustee may determine whether or not an Event of Default or (in respect of Senior Notes only) Potential Event of Default is in its opinion capable of remedy and/or materially prejudicial to the interests of the Noteholders. Any such determination shall be conclusive and binding on the relevant Issuer, the Noteholders and the Couponholders.
- 10.18 Payment for and Delivery of Notes:** The Trustee shall not be responsible for the receipt or application by the relevant Issuer of the proceeds of the issue of the Notes, any exchange of Notes or the delivery of Notes to the persons entitled to them.
- 10.19 Notes Held by the Issuer etc.:** In the absence of knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate under Clause 8.17) that no Notes are for the time being held by or on behalf of the relevant Issuer or its Subsidiaries.
- 10.20 Legal Opinions:** The Trustee shall not be responsible to any person for failing to request, require or receive any legal opinion relating to any Notes or for checking or commenting upon the content of any such legal opinion.

10.21 Programme Limit: The Trustee shall not be concerned, and need not enquire, as to whether or not any Notes are issued in breach of the Programme Limit.

10.22 Responsibility for agents etc.: If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee appointed under this clause (an “**Appointee**”), it will not have any obligation to supervise the Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee’s misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

10.23 Adequate Indemnity or Repayment: No provision of this Trust Deed shall require the Trustee to do anything which may (i) be illegal or contrary to applicable law or regulation or (ii) cause it to expend or risks its own funds or otherwise incur any loss, damage, cost, charge, claim, demand, judgment, action, proceeding or other liability whatsoever incurred thereby in the performance of any of its duties or in the exercise of any of its rights, powers or discretions, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or loss, damage, cost, charge, claim, demand, expense, judgment, action, proceeding or other liability whatsoever is not assured to it.

11 Trustee liable for negligence

Section 1 of the Trustee Act 2000 shall not apply to any function of the Trustee, provided that if the Trustee fails to show the degree of care and diligence required of it as trustee, nothing in this Trust Deed shall relieve or indemnify it from or against any liability that would otherwise attach to it in respect of any negligence, wilful default or fraud of which it may be guilty.

12 Waiver

12.1 Waiver: The Trustee may, without the consent of the Noteholders or the Couponholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Noteholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by any Issuer of this Trust Deed or the relevant Conditions or determine that an Event of Default or (in respect of Senior Notes only) Potential Event of Default shall not be treated as such provided that the Trustee shall not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 12 of the Conditions of the Senior Notes or Condition 14 of the Conditions of the Subordinated Notes, as applicable. No such direction or request shall affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, shall be notified to the Noteholders as soon as practicable.

13 Trustee not precluded from entering into contracts

The Trustee and any other person, whether or not acting for itself, may acquire, hold or dispose of any Note, Coupon, Talon or other security (or any interest therein) of any Issuer or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders

of any securities of any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit.

14 Modification and Substitution

14.1 Modification:

14.1.1 The Trustee may agree without the consent of the Noteholders or the Couponholders to any modification to this Trust Deed which is, in its opinion of a formal, minor or technical nature or to correct a manifest error. The Trustee may also so agree to any modification to this Trust Deed that is in its opinion not materially prejudicial to the interests of the Noteholders (provided, in the case of Subordinated Notes only, that the Trustee's power to agree such modification shall not extend to any provision entitling Noteholders to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 13 of the Conditions of the Subordinated Notes, which for the avoidance of doubt may only be sanctioned by Noteholders by means of an Extraordinary Resolution), but such power does not extend to any such modification as is mentioned in the proviso to paragraph 2 of Schedule 3.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(l) of the Conditions of the Senior Notes and Condition 5(i) of the Conditions of the Subordinated Notes, as the case may be without the consent of the Noteholders or the Couponholders.

14.1.2 In the case of Subordinated Notes, the agreement or approval of the Noteholders shall not be required in the case of any variation to the relevant Conditions and/or this Trust Deed and/or the Agency Agreement required to be made in connection with the substitution or variation of the Subordinated Notes pursuant to Condition 8 of the Subordinated Notes.

14.2 Substitution:

14.2.1 The Trustee may, without the consent of the Noteholders or the Couponholders, agree with the relevant Issuer to the substitution (in the case of Subordinated Notes only, on a subordinated basis equivalent to that referred to in Conditions 3 and 4 of the Conditions of the Subordinated Notes) of any Relevant Subsidiary or any wholly-owned Subsidiary (other than an Excluded Subsidiary) of such Issuer (the "**Substituted Obligor**") in place of such Issuer (or of any previous substitute under this sub-Clause) (the "**Substituting Issuer**") as the principal debtor under this Trust Deed, the Notes, the Coupons and the Talons provided that:

- (i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed, the Notes, the Coupons and the Talons (with consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in this Trust Deed, the Notes, the Certificates, the Coupons and the Talons as the principal debtor in place of the Substituting Issuer
- (ii) if the Substituted Obligor is 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 to the taxing jurisdiction of which (or to any such authority of or in which) the Substituting Issuer is subject generally (the “**Substituting Issuer’s Territory**”), the Substituted Obligor shall (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 of the Conditions of the Senior Notes or Condition 11 of the Conditions of the Subordinated Notes, as applicable, with the substitution for the references in that Condition to the Substituting Issuer’s Territory of references to the Substituted Territory whereupon the Trust Deed, the Notes, the Certificates, the Coupons and the Talons shall be read accordingly

- (iii) if any two directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor’s financial condition, profits or prospects or compare them with those of the Substituting Issuer
- (iv) the Substituting Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Noteholders
- (v) (unless the Substituting Issuer’s successor in business is the Substituted Obligor) the obligations of the Substituted Obligor under this Trust Deed, the Notes, and the Coupons are guaranteed by the Substituting Issuer to the Trustee’s satisfaction
- (vi) the Trustee is satisfied that the interests of Noteholders will not be materially prejudiced by the substitution and
- (vii) (in respect of the Senior Notes only) if the Substituting Issuer is either SHEPD, SSEN Transmission or SEPD, such Substituted Obligor holding the Distribution Licence or, if and, to the extent that, such Substituted Obligor does not hold the Distribution Licence, an unconditional and irrevocable guarantee in respect of the Notes being provided by a Relevant Subsidiary and/or a wholly-owned Subsidiary of the Substituted Obligor which holds the Distribution Licence.

14.2.2 Release of Substituted Issuer: An agreement by the Trustee pursuant to sub-Clause 14.2 shall, if so expressed, release the Substituting Issuer (or a previous substitute) from any or all of its obligations under this Trust Deed, the Notes, the Coupons and the Talons. Notice of the substitution shall be given to the Noteholders within 14 days of the execution of such documents and compliance with such requirements.

14.2.3 Completion of Substitution: On completion of the formalities set out in sub-Clause 14.2, the Substituted Obligor shall be deemed to be named in this Trust Deed, the Notes, the Certificates, the Coupons and the Talons as the principal debtor in place of the Substituting Issuer (or of any previous substitute) and this Trust Deed, the Notes, the Certificates, the Coupons and the Talons shall be deemed to be amended as necessary to give effect to the substitution.

15 Appointment, Retirement and Removal of the Trustee

15.1 Appointment: Subject as provided in Clause 15.2 below, the Issuers have the power of appointing new trustees but no-one may be so appointed unless previously approved by an

Extraordinary Resolution. A trust corporation shall at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee shall be notified by the relevant Issuer to the Noteholders as soon as practicable.

15.2 Retirement and Removal: Any Trustee may retire at any time on giving at least three months' written notice to the Issuers without giving any reason or being responsible for any costs occasioned by such retirement and the Noteholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of a sole trust corporation shall not be effective until a trust corporation is appointed as successor Trustee. If a sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal, the relevant Issuer shall use all reasonable endeavours to procure that another trust corporation be appointed as Trustee but if it fails to do so before the expiry of such three month notice period, the Trustee shall have the power to appoint a new Trustee.

15.3 Co-Trustees: The Trustee may, despite sub-Clause 15.1, by written notice to each Issuer (with a copy to each of Standard & Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch Ratings Limited) appoint anyone to act as an additional Trustee jointly with the Trustee:

15.3.1 if the Trustee considers the appointment to be in the interests of the Noteholders and/or the Couponholders

15.3.2 to conform with a legal requirement, restriction or condition in a jurisdiction in which a particular act is to be performed or

15.3.3 to obtain a judgment or to enforce a judgment or any provision of this Trust Deed in any jurisdiction.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by written notice to the Issuers and that person remove that person. At the Trustee's request, the Issuers shall forthwith do all things as may be required to perfect such appointment or removal and it each of them irrevocably appoints the Trustee as its attorney in its name and on its behalf to do so.

15.4 Competence of a Majority of Trustees: If there are more than two Trustees the majority of them shall be competent to perform the Trustee's functions provided the majority includes a trust corporation.

16 Notes held in Clearing Systems and Couponholders

16.1 Notes Held in Clearing Systems: So long as any Global Note is, or any Notes represented by a Global Certificate are, held on behalf of a clearing system, in considering the interests of Noteholders, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Note or the Registered Notes and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

16.2 Couponholders: No notices need be given to Couponholders. They shall be deemed to have notice of the contents of any notice given to Noteholders. Even if it has express notice to the contrary, in exercising any of its functions by reference to the interests of the Noteholders, the Trustee shall assume that the holder of each Note is the holder of all Coupons and Talons relating to it.

17 Currency Indemnity

- 17.1 Currency of Account and Payment:** The Contractual Currency is the sole currency of account and payment for all sums payable by the relevant Issuer under or in connection with this Trust Deed, the Notes and the Coupons, including damages.
- 17.2 Extent of Discharge:** An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the relevant Issuer), by the Trustee or any Noteholder or Couponholder in respect of any sum expressed to be due to it from the relevant Issuer shall only discharge such Issuer to the extent of the Contractual Currency amount that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).
- 17.3 Indemnity:** If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed, the Notes or the Coupons, the relevant Issuer shall indemnify it against any loss sustained by it as a result. In any event, such Issuer shall indemnify the recipient against the cost of making any such purchase.
- 17.4 Indemnity Separate:** The indemnities in this Clause 17 and in sub-Clause 9.4 constitute separate and independent obligations from the other obligations in this Trust Deed, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Trustee and/or any Noteholder or Couponholder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed, the Notes and/or the Coupons or any other judgment or order.

18 Communications

- 18.1 Method:** Each communication under this Trust Deed shall be made by fax, electronic communication or otherwise in writing. Each communication or document to be delivered to any party under this Trust Deed shall be sent to that party at the fax number, postal address or electronic address, and marked for the attention of the person (if any), from time to time designated by that party to each other party for the purpose of this Trust Deed. The initial telephone number, fax number, postal address, electronic address and person so designated by the parties under this Trust Deed are set out in the Procedures Memorandum.
- 18.2 Deemed Receipt:** Any communication from any party to any other under this Trust Deed shall be effective, (if by fax) when the relevant delivery receipt is received by the sender, (if in writing) when delivered and (if by electronic communication) when the relevant receipt of such communication being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such communication; provided that any communication which is received (or deemed to take effect in accordance with the foregoing) after 5:00 pm on a business day or on a non-business day in the place of receipt shall be deemed to take effect at the opening of business on the next following business day in such place. Any communication delivered to any party under this Trust Deed which is to be sent by fax or electronic communication will be written legal evidence.

18.3 In no event shall the Trustee be liable for any losses arising from the Trustee receiving or transmitting any data to the Issuers (or any person authorised to act on their behalf) or acting upon any notice, instruction or other communications via any Electronic Means. The Trustee has no duty or obligation to verify or confirm that the person who sent such instructions or directions is, in fact, a person authorised to give instructions or directions on behalf of the Issuers (or any person authorised to act on their behalf). The Issuers agree that the security procedures, in connection with a transmission of any such notice, instructions or other communications (if any), provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

“**Electronic Means**” shall mean the following communications methods: (i) non-secure methods of transmission or communication such as e-mail and facsimile transmission and (ii) secure electronic transmission containing applicable authorisation codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

19 Article 55 Contractual Recognition of EU Bail-In Powers

19.1 Notwithstanding and to the exclusion of any other term of this Agreement or any other agreements, arrangements, or understanding between any of the parties hereto, each party of this Agreement acknowledges and accepts that a BRRD Liability arising under this Agreement may be subject to the exercise of Bail-in Powers by the Relevant Resolution Authority, and acknowledges, accepts, and agrees to be bound by:

19.1.1 the effect of the exercise of Bail-in Powers by the Relevant Resolution Authority in relation to any BRRD Liability of any party to this Agreement under this Agreement, that (without limitation) may include and result in any of the following, or some combination thereof:

- (i) the reduction of all, or a portion, of the BRRD Liability or outstanding amounts due thereon;
- (ii) the conversion of all, or a portion, of the BRRD Liability into shares, other securities or other obligations of the BRRD Liability obligor or another person, and the issue to or conferral in respect of such BRRD Liability of such shares, securities or obligations;
- (iii) the cancellation of the BRRD Liability;
- (iv) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period

19.1.2 the variation of the terms of this Agreement, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of Bail-in Powers by the Relevant Resolution Authority

For the purposes of this Clause 19:

“**Bail-in Legislation**” means in relation to a member state of the European Economic Area which has implemented, or which at any time implements, the BRRD, the relevant implementing law, regulation, rule or requirement as described in the EU Bail-in Legislation Schedule from time to time;

“**Bail-in Powers**” means any Write-down and Conversion Powers as defined in the EU Bail-in Legislation Schedule, in relation to the relevant Bail-in Legislation;

“**BRRD**” means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

“**BRRD Liability**” means a liability in respect of which the relevant Write Down and Conversion Powers in the applicable Bail-in Legislation may be exercised;

“**EU Bail-in Legislation Schedule**” means the document described as such, then in effect, and published by the Loan Market Association (or any successor person) from time to time at <http://www.lma.eu.com/pages.aspx?p=499>; and

“**Relevant Resolution Authority**” means the resolution authority with the ability to exercise any Bail-in Powers in relation to the relevant BRRD Liability obligor under this Agreement.

20 Further Issues

If the Trustee so directs, Schedule 3 shall apply equally to Noteholders and to holders of any securities issued pursuant to Condition 16 of the Conditions of the Senior Notes or Condition 17 of the Conditions of the Subordinated Notes, as applicable, as if references in it to “**Notes**” and “**Noteholders**” were also to such securities and their holders respectively.

21 Governing Law and Jurisdiction

21.1 Governing law: This Trust Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

21.2 Jurisdiction: The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with this Trust Deed, the Notes, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in connection with this Trust Deed, the Notes, the Coupons or the Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This Clause is for the benefit of each of the Trustee, the Noteholders and the Couponholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Schedule 1
Part A
Form of CGN Temporary Global Note

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]

[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]

[SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]

[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*

EURO MEDIUM TERM NOTE PROGRAMME

TEMPORARY GLOBAL NOTE

Temporary Global Note No. [●]

This temporary Global Note is issued in respect of the Notes (the “**Notes**”) of the Tranche and Series specified in Part A of the Second Schedule hereto of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/Southern Electric Power Distribution plc]* (the “**Issuer**”).

Interpretation and Definitions

References in this temporary Global Note to the “Conditions” are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed (as amended or supplemented as at the Issue Date, the “**Trust Deed**”) dated 6 June 2025 between SSE plc, Scottish Hydro Electric Power Distribution plc, Scottish Hydro Electric Transmission plc and Southern Electric Power Distribution plc as issuers and BNY Mellon Corporate Trustee Services Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this temporary Global Note (including the supplemental definitions and any modifications or additions set out in Part A of the Second Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this temporary Global Note shall have the meanings given to them in the Conditions or the Trust Deed. If the Second Schedule hereto specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, this temporary Global Note is a “C Rules Note”, otherwise this temporary Global Note is a “D Rules Note”.

Aggregate Nominal Amount

The aggregate nominal amount from time to time of this temporary Global Note shall be an amount equal to the aggregate nominal amount of the Notes as shall be shown by the latest entry in the fourth column of the First Schedule hereto, which shall be completed by or on behalf of the Issuing and Paying Agent upon (i) the issue of Notes represented hereby, (ii) the exchange of the whole or a part of this temporary Global Note for a corresponding interest in a permanent Global Note or, as the case may be, for Definitive Notes or Registered Notes and/or (iii) the redemption or purchase and cancellation of Notes represented hereby, all as described below.

* Delete as applicable

Promise to Pay

Subject as provided herein, the Issuer, for value received, promises to pay to the bearer of this temporary Global Note, upon presentation and (when no further payment is due in respect of this temporary Global Note) surrender of this temporary Global Note, on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the aggregate nominal amount of Notes represented by this temporary Global Note and (unless this temporary Global Note does not bear interest) to pay interest in respect of the Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the methods of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Exchange

On or after the Exchange Date, the outstanding nominal amount of this temporary Global Note may be exchanged for Definitive Notes in accordance with the next paragraph. On or after the first day following the expiry of 40 days after the Issue Date (the “**Exchange Date**”), this temporary Global Note may be exchanged (free of charge to the holder) in whole or (in the case of a D Rules Note only) from time to time in part by its presentation and, on exchange in full, surrender to or to the order of the Issuing and Paying Agent for interests in a permanent Global Note or, if so specified in the Second Schedule hereto, for Definitive Notes provided that, in the case of any part of a D Rules Note submitted for exchange for a permanent Global Note or Definitive Notes, there shall have been Certification with respect to such nominal amount submitted for such exchange dated no earlier than the Exchange Date.

“**Certification**” means the presentation to the Issuing and Paying Agent of a certificate or certificates with respect to one or more interests in this temporary Global Note, signed by Euroclear or Clearstream, Luxembourg, substantially to the effect set out in Schedule 4 to the Agency Agreement to the effect that it has received a certificate or certificates substantially to the effect set out in Schedule 3 to the Agency Agreement with respect thereto and that no contrary advice as to the contents thereof has been received by Euroclear or Clearstream, Luxembourg, as the case may be.

Upon the whole or a part of this temporary Global Note being exchanged for a permanent Global Note, such permanent Global Note shall be exchangeable in accordance with its terms for Definitive Notes.

The Definitive Notes for which this temporary Global Note or a permanent Global Note may be exchangeable shall be duly executed and authenticated, shall, in the case of Definitive Notes, have attached to them all Coupons (and, where appropriate, Talons) in respect of interest that has not already been paid on this temporary Global Note or the permanent Global Note, as the case may be, shall be security printed.

On any exchange of a part of this temporary Global Note for an equivalent interest in a permanent Global Note or for Definitive Notes, as the case may be, the portion of the nominal amount hereof so exchanged shall be endorsed by or on behalf of the Issuing and Paying Agent in Part I of the First Schedule hereto, whereupon the nominal amount hereof shall be reduced for all purposes by the amount so exchanged and endorsed.

Benefit of Conditions

Except as otherwise specified herein, this temporary Global Note is subject to the Conditions and the Trust Deed and, until the whole of this temporary Global Note is exchanged for equivalent interests in a permanent Global Note or for Definitive Notes, as the case may be, the holder of this temporary Global Note shall in all respects be entitled to the same benefits as if it were the holder of the permanent Global Note (or the relevant part of it) or the Definitive Notes, as the case may be, for which it may be exchanged as if such permanent Global Note or Definitive Notes had been issued on the Issue Date.

Payments

No person shall be entitled to receive any payment in respect of the Notes represented by this temporary Global Note that falls due on or after the Exchange Date unless, upon due presentation of this temporary Global Note for exchange, delivery of (or, in the case of a subsequent exchange, due endorsement of) a permanent Global Note or delivery of Definitive Notes or Certificates, as the case may be, is improperly withheld or refused by or on behalf of the Issuer.

Payments due in respect of a D Rules Note before the Exchange Date shall only be made in relation to such nominal amount of this temporary Global Note with respect to which there shall have been Certification dated no earlier than such due date for payment.

Any payments that are made in respect of this temporary Global Note shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Issuing and Paying Agent or of any other Paying Agent provided for in the Conditions. If any payment in full of principal is made in respect of any Note represented by this temporary Global Note, the portion of this temporary Global Note representing such Note shall be cancelled and the amount so cancelled shall be endorsed by or on behalf of the Issuing and Paying Agent in the First Schedule hereto (such endorsement being *prima facie* evidence that the payment in question has been made) whereupon the nominal amount hereof shall be reduced for all purposes by the amount so cancelled and endorsed. If any other payments are made in respect of the Notes represented by this temporary Global Note, a record of each such payment shall be endorsed by or on behalf of the Issuing and Paying Agent on an additional schedule hereto (such endorsement being *prima facie* evidence that the payment in question has been made). For the purpose of any payments made in respect of this temporary Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h) of the Conditions of the Senior Notes or Condition 10(h) of the Conditions of the Subordinated Notes, as applicable.

Cancellation

Cancellation of any Note represented by this temporary Global Note that is required by the Conditions to be cancelled (other than upon its redemption) shall be effected by reduction in the nominal amount of this temporary Global Note representing such Note on its presentation to or to the order of the Issuing and Paying Agent for endorsement in the First Schedule hereto, whereupon the nominal amount hereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Notices

Notices required to be given in respect of the Notes represented by this temporary Global Note may be given by their being delivered (so long as this temporary Global Note is held on behalf of Euroclear and Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream,

Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of this temporary Global Note, rather than by publication as required by the Conditions.

No provision of this temporary Global Note shall alter or impair the obligation of the Issuer to pay the principal and premium of and interest on the Notes when due in accordance with the Conditions.

This temporary Global Note shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Issuing and Paying Agent.

This temporary Global Note and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

In witness whereof the Issuer has caused this temporary Global Note to be duly signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This temporary Global Note is authenticated
by or on behalf of the Issuing and Paying Agent.

THE BANK OF NEW YORK MELLON, LONDON BRANCH

as Issuing and Paying Agent

By:

Authorised Signatory

For the purposes of authentication only.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

* Delete as applicable

The First Schedule

Nominal amount of Notes represented by this temporary Global Note

The following (i) issue of Notes initially represented by this temporary Global Note, (ii) exchanges of the whole or a part of this temporary Global Note for interests in a permanent Global Note or for Definitive Notes and/or (iii) cancellations of interests in this temporary Global Note have been made, resulting in the nominal amount of this temporary Global Note specified in the latest entry in the fourth column below:

Date	Amount of decrease in nominal amount of this temporary Global Note	Reason for decrease in nominal amount of this temporary Global Note (exchange or cancellation)	Nominal amount of this temporary Global Note on issue or following such decrease	Notation made by or on behalf of the Issuing and Paying Agent
Issue Date	not applicable	not applicable		

The Second Schedule

[Insert the provisions of the relevant Final Terms that relate to the Conditions or the Global Notes as the Second Schedule]

Schedule 1
Part B
Form of CGN Permanent Global Note

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]

[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]

[SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]

[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*

EURO MEDIUM TERM NOTE PROGRAMME

PERMANENT GLOBAL NOTE

Permanent Global Note No. [●]

This permanent Global Note is issued in respect of the Notes (the “**Notes**”) of the Tranche(s) and Series specified in Part A of the Third Schedule hereto of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/ Southern Electric Power Distribution plc]* (the “**Issuer**”).

Interpretation and Definitions

References in this permanent Global Note to the “Conditions” are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed (as amended or supplemented as at the Issue Date, the “**Trust Deed**”) dated 6 June 2025 between SSE plc, Scottish Hydro Electric Power Distribution plc, Scottish Hydro Electric Transmission plc and Southern Electric Power Distribution plc as issuers and BNY Mellon Corporate Trustee Services Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this permanent Global Note (including the supplemental definitions and any modifications or additions set out in Part A of the Third Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this permanent Global Note shall have the meanings given to them in the Conditions or the Trust Deed.

Aggregate Nominal Amount

The aggregate nominal amount from time to time of this permanent Global Note shall be an amount equal to the aggregate nominal amount of the Notes as shall be shown by the latest entry in the fourth column of the First Schedule hereto, which shall be completed by or on behalf of the Issuing and Paying Agent upon (i) the exchange of the whole or a part of the temporary Global Note initially representing the Notes for a corresponding interest herein (in the case of Notes represented by a temporary Global Note upon issue), (ii) the issue of the Notes represented hereby (in the case of Notes represented by this permanent Global Note upon issue), (iii) the exchange of the whole or, where the limited circumstances so permit, a part of this permanent Global Note for Definitive Notes and/or (iv) the redemption or purchase and cancellation of Notes represented hereby, all as described below.

* Delete as applicable

Promise to Pay

Subject as provided herein, the Issuer, for value received, hereby promises to pay to the bearer of this permanent Global Note, upon presentation and (when no further payment is due in respect of this permanent Global Note) surrender of this permanent Global Note, on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the aggregate nominal amount of Notes represented by this permanent Global Note and (unless this permanent Global Note does not bear interest) to pay interest in respect of the Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the methods of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Exchange

This permanent Global Note is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not, except as provided in the next paragraph, in part for the Definitive Notes:

- 1 if this permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “**Alternative 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 or
- 2 if principal in respect of any Notes is not paid when due, by the holder giving notice to the Trustee of its election for such exchange.

This permanent Global Note is exchangeable in part (provided, however, that if this permanent Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, the rules of Euroclear and/or Clearstream, Luxembourg, as the case may be, so permit) if so provided.

“**Exchange Date**” means a day falling not less than 60 days, or in the case of an exchange for Registered Notes 5 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and, except in the case of exchange pursuant to 2 above, in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System, are located.

Any such exchange may be effected on or after an Exchange Date by the holder of this permanent Global Note surrendering this permanent Global Note or, in the case of a partial exchange, presenting it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for this permanent Global Note, or part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, duly executed and authenticated Definitive Notes (if appropriate, having attached to them all Coupons (and, where appropriate, Talons) in respect of interest that has not already been paid on this permanent Global Note), security printed and substantially in the form set out in Schedule 2 to the Trust Deed as supplemented and/or modified and/or superseded by the terms of the Third Schedule hereto.

On any exchange of a part of this permanent Global Note the portion of the nominal amount hereof so exchanged shall be endorsed by or on behalf of the Issuing and Paying Agent in the First Schedule hereto, whereupon the nominal amount hereof shall be reduced for all purposes by the amount so exchanged and endorsed.

Benefit of Conditions

Except as otherwise specified herein, this permanent Global Note is subject to the Conditions and the Trust Deed and, until the whole of this permanent Global Note is exchanged for Definitive Notes, the holder of this permanent Global Note shall in all respects be entitled to the same benefits as if it were the holder of the Definitive Notes for which it may be exchanged and as if such Definitive Notes had been issued on the Issue Date.

Payments

No person shall be entitled to receive any payment in respect of the Notes represented by this permanent Global Note that falls due after an Exchange Date for such Notes, unless upon due presentation of this permanent Global Note for exchange, delivery of Definitive Notes or Certificates is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Definitive Notes.

Payments in respect of this permanent Global Note shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Issuing and Paying Agent or of any other Paying Agent provided for in the Conditions. A record of each such payment shall be endorsed on the First or Second Schedule hereto, as appropriate, by the Issuing and Paying Agent or by the relevant Paying Agent, for and on behalf of the Issuing and Paying Agent, which endorsement shall (until the contrary is proved) be *prima facie* evidence that the payment in question has been made. For the purpose of any payments made in respect of this permanent Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h) of the Conditions of the Senior Notes or Condition 10(h) of the Conditions of the Subordinated Notes, as applicable.

Prescription

Claims in respect of principal and interest (as each is defined in the Conditions) in respect of this permanent Global Note shall become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date.

Meetings

For the purposes of any meeting of Noteholders, the holder of this permanent Global Note shall (unless this permanent Global Note represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Cancellation

Cancellation of any Note represented by this permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) shall be effected by reduction in the nominal amount of this permanent Global Note representing such Note on its presentation to or to the order of the Issuing and Paying Agent for endorsement in the First Schedule hereto, whereupon the nominal amount hereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Notes may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the right to receive all future payments of interest thereon.

Issuer's Options

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

Noteholders' Options

Any option of the Noteholders provided for in the Conditions may be exercised by the holder of this permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting this permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation accordingly in the Fourth Schedule hereto.

Notices

Notices required to be given in respect of the Notes represented by this permanent Global Note may be given by their being delivered (so long as this permanent Global Note is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system) to Euroclear, Clearstream, Luxembourg or such other clearing system, as the case may be, or otherwise to the holder of this permanent Global Note, rather than by publication as required by the Conditions.

Negotiability

This permanent Global Note is a bearer document and negotiable and accordingly:

- 1** is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to the Conditions
- 2** the holder of this permanent Global Note is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption, interest or otherwise payable in respect of this permanent Global Note and the Issuer has waived against such holder and any previous holder of this permanent Global Note all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by this Global Note and
- 3** payment upon due presentation of this permanent Global Note as provided herein shall operate as a good discharge against such holder and all previous holders of this permanent Global Note.

No provisions of this permanent Global Note shall alter or impair the obligation of the Issuer to pay the principal and premium of and interest on the Notes when due in accordance with the Conditions.

This permanent Global Note shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Issuing and Paying Agent.

This permanent Global Note and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

In witness whereof the Issuer has caused this permanent Global Note to be duly signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This permanent Global Note is authenticated by or on behalf of the Issuing and Paying Agent.

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Issuing and Paying Agent

By:

Authorised Signatory
For the purposes of authentication only.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

* Delete as applicable

The First Schedule

Nominal amount of Notes represented by this permanent Global Note

The following (i) issues of Notes initially represented by this permanent Global Note, (ii) exchanges of interests in a temporary Global Note for interests in this permanent Global Note, (iii) exchanges of the whole or a part of this permanent Global Note for Definitive Notes, (iv) cancellations interests in this permanent Global Note and/or (v) payments of amounts payable upon redemption in respect of this permanent Global Note have been made, resulting in the nominal amount of this permanent Global Note specified in the latest entry in the fourth column:

Date	Amount of increase/decrease in nominal amount of this permanent Global Note	Reason for increase/decrease in nominal amount of this permanent Global Note (initial issue, exchange, cancellation or payment, stating amount of payment made)	Nominal amount of this permanent Global Note following such increase/decrease	Notation made by or on behalf of the Issuing and Paying Agent
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**The Second Schedule
Payments of Interest**

The following payments of interest or Interest Amount in respect of this Permanent Global Note have been made:

Due date of payment	Date of payment	Amount of interest	Notation made by or on behalf of the Issuing and Paying Agent
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The Third Schedule

[Insert the provisions of the relevant Final Terms that relate to the Conditions or the Global Notes as the Third Schedule.]

**The Fourth Schedule
Exercise of Noteholders' Option**

The following exercises of the option of the Noteholders provided for in the Conditions have been made in respect of the stated nominal amount of this permanent Global Note:

Date of exercise	Nominal amount of this permanent Global Note in respect of which exercise is made	Date of which exercise of such option is effective	Notation made by or on behalf of the Issuing and Paying Agent
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Schedule 1
Part C
Form of NGN Temporary Global Note

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]

[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]

[SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]

[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*

EURO MEDIUM TERM NOTE PROGRAMME

TEMPORARY GLOBAL NOTE

Temporary Global Note No. [●]

This temporary Global Note is issued in respect of the Notes (the “**Notes**”) of the Tranche and Series specified in Part A of the Schedule hereto of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/Southern Electric Power Distribution plc]* (the “**Issuer**”).

Interpretation and Definitions

References in this temporary Global Note to the “Conditions” are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed (as amended or supplemented as at the Issue Date, the “**Trust Deed**”) dated 6 June 2025 between SSE plc, Scottish Hydro Electric Power Distribution plc, Scottish Hydro Electric Transmission plc and Southern Electric Power Distribution plc as issuers and BNY Mellon Corporate Trustee Services Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this temporary Global Note (including the supplemental definitions and any modifications or additions set out in Part A of the Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this temporary Global Note shall have the meanings given to them in the Conditions or the Trust Deed. If the Second Schedule hereto specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, this temporary Global Note is a “C Rules Note”, otherwise this temporary Global Note is a “D Rules Note”.

Aggregate Nominal Amount

The aggregate nominal amount from time to time of this temporary Global Note shall be an amount equal to the aggregate nominal amount of the Notes from time to time entered in the records of both Euroclear and Clearstream, Luxembourg (together the “**relevant Clearing Systems**”), which shall be completed and/or amended, as the case may be, upon (i) the issue of Notes represented hereby, (ii) the exchange of the whole or a part of this temporary Global Note for a corresponding interest recorded in the records of the relevant Clearing Systems in a permanent Global Note or, as the case may be, for Definitive Notes and/or (iii) the redemption or purchase and cancellation of Notes represented hereby, all as described below.

* Delete as applicable

The records of the relevant Clearing Systems (which expression in this temporary Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Notes) shall be conclusive evidence of the nominal amount of the Notes represented by this temporary Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by the temporary Global Note at any time shall be conclusive evidence of the records of the relevant Clearing Systems at that time.

Promise to Pay

Subject as provided herein, the Issuer, for value received, promises to pay to the bearer of this temporary Global Note, upon presentation and (when no further payment is due in respect of this temporary Global Note) surrender of this temporary Global Note, on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the aggregate nominal amount of Notes represented by this temporary Global Note and (unless this temporary Global Note does not bear interest) to pay interest in respect of the Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the methods of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Exchange

On or after the Exchange Date, the outstanding nominal amount of this temporary Global Note may be exchanged for Definitive Notes in accordance with the next paragraph.

On or after the first day following the expiry of 40 days after the Issue Date (the "**Exchange Date**"), this temporary Global Note may be exchanged (free of charge to the holder) in whole or (in the case of a D Rules Note only) from time to time in part by its presentation and, on exchange in full, surrender to or to the order of the Issuing and Paying Agent for interests recorded in the records of the relevant Clearing Systems in a permanent Global Note or, if so specified in Part A of the Schedule hereto, for Definitive Notes provided that, in the case of any part of a D Rules Note submitted for exchange for interests recorded in the records of the relevant Clearing Systems in a permanent Global Note or Definitive Notes, there shall have been Certification with respect to such nominal amount submitted for such exchange dated no earlier than the Exchange Date.

"**Certification**" means the presentation to the Issuing and Paying Agent of a certificate or certificates with respect to one or more interests in this temporary Global Note, signed by Euroclear or Clearstream, Luxembourg, substantially to the effect set out in Schedule 4 to the Agency Agreement to the effect that it has received a certificate or certificates substantially to the effect set out in Schedule 3 to the Agency Agreement with respect thereto and that no contrary advice as to the contents thereof has been received by Euroclear or Clearstream, Luxembourg, as the case may be.

Upon the whole or a part of this temporary Global Note being exchanged for a permanent Global Note, such permanent Global Note shall be exchangeable in accordance with its terms for Definitive Notes.

The Definitive Notes for which this temporary Global Note or a permanent Global Note may be exchangeable shall be duly executed and authenticated, shall, in the case of Definitive Notes, have attached to them all Coupons (and, where appropriate, Talons) in respect of interest that has not already been paid on this temporary Global Note or the permanent Global Note, as the case may be, shall be security printed.

On any exchange of a part of this temporary Global Note for an equivalent interest recorded in the records of the relevant Clearing Systems in a permanent Global Note for Definitive Notes, the Issuer shall procure that details of the portion of the nominal amount hereof so exchanged shall be entered *pro rata* in the records of the relevant Clearing Systems and upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this temporary Global Note shall be reduced by an amount equal to such portion so exchanged.

Benefit of Conditions

Except as otherwise specified herein, this temporary Global Note is subject to the Conditions and the Trust Deed and, until the whole of this temporary Global Note is exchanged for equivalent interests in a permanent Global Note or for Definitive Notes, as the case may be, the holder of this temporary Global Note shall in all respects be entitled to the same benefits as if it were the holder of the permanent Global Note (or the relevant part of it) or the Definitive Notes, as the case may be, for which it may be exchanged as if such permanent Global Note or Definitive Notes had been issued on the Issue Date.

Payments

No person shall be entitled to receive any payment in respect of the Notes represented by this temporary Global Note that falls due on or after the Exchange Date unless, upon due presentation of this temporary Global Note for exchange, delivery of (or, in the case of a subsequent exchange, a corresponding entry being recorded in the records of the relevant Clearing Systems) a permanent Global Note or delivery of Definitive Notes, as the case may be, is improperly withheld or refused by or on behalf of the Issuer.

Payments due in respect of a D Rules Note before the Exchange Date shall only be made in relation to such nominal amount of this temporary Global Note with respect to which there shall have been Certification dated no earlier than such due date for payment.

Any payments that are made in respect of this temporary Global Note shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Issuing and Paying Agent or of any other Paying Agent provided for in the Conditions and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing Systems referred to herein shall not affect such discharge. If any payment in full or in part of principal is made in respect of any Note represented by this temporary Global Note the Issuer shall procure that details of such payment shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this temporary Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed. If any other payments are made in respect of the Notes represented by this temporary Global Note, the Issuer shall procure that a record of each such payment shall be entered *pro rata* in the records of the relevant Clearing Systems. For the purpose of any payments made in respect of this temporary Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h) of the Conditions of the Senior Notes or Condition 10(h) of the Conditions of the Subordinated Notes, as applicable.

Cancellation

On cancellation of any Note represented by this temporary Global Note that is required by the Conditions to be cancelled (other than upon its redemption), the Issuer shall procure that details of

such cancellation shall be entered *pro rata* in the records of the relevant Clearing systems and, upon any such entry being made, the nominal amount of the Note recorded in the records of the relevant Clearing Systems and represented by this temporary Global Note shall be reduced by the aggregate nominal amount of the Notes so cancelled.

Notices

Notices required to be given in respect of the Notes represented by this temporary Global Note may be given by their being delivered (so long as this temporary Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg or any other permitted clearing system) to Euroclear, Clearstream, Luxembourg or such other permitted clearing system, as the case may be, or otherwise to the holder of this temporary Global Note, rather than by publication as required by the Conditions.

No provision of this temporary Global Note shall alter or impair the obligation of the Issuer to pay the principal and premium of and interest on the Notes when due in accordance with the Conditions.

This temporary Global Note shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Issuing and Paying Agent and effectuated by the entity appointed as Common Safekeeper by the relevant Clearing Systems.

This temporary Global Note and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

In witness whereof the Issuer has caused this temporary Global Note to be duly signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This temporary Global Note is authenticated
by or on behalf of the Issuing and Paying Agent.

THE BANK OF NEW YORK MELLON, LONDON BRANCH

as Issuing and Paying Agent

By:

Authorised Signatory

For the purposes of authentication only.

Effectuation

This temporary Global Note
is effectuated by or on behalf of the Common Safekeeper.

CLEARSTREAM BANKING S.A.

as Common Safekeeper

By:

Authorised Signatory

For the purposes of effectuation only.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE

* Delete as applicable

LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

Schedule

[Insert the provisions of the relevant Final Terms that relate to the Conditions or the Global Notes as the Schedule.]

Schedule 1
Part D
Form of NGN Permanent Global Note

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]

[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]

[SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]

[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*

EURO MEDIUM TERM NOTE PROGRAMME

PERMANENT GLOBAL NOTE

Permanent Global Note No. [●]

This permanent Global Note is issued in respect of the Notes (the “**Notes**”) of the Tranche(s) and Series specified in Part A of the Schedule hereto of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/Southern Electric Power Distribution plc]* (the “**Issuer**”).

Interpretation and Definitions

References in this permanent Global Note to the “Conditions” are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed (as amended or supplemented as at the Issue Date, the “**Trust Deed**”) dated 6 June 2025 between SSE plc, Scottish Hydro Electric Power Distribution plc, Scottish Hydro Electric Transmission plc and Southern Electric Power Distribution plc as issuers and BNY Mellon Corporate Trustee Services Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this permanent Global Note (including the supplemental definitions and any modifications or additions set out in Part A of the Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this permanent Global Note shall have the meanings given to them in the Conditions or the Trust Deed.

Aggregate Nominal Amount

The aggregate nominal amount from time to time of this permanent Global Note shall be an amount equal to the aggregate nominal amount of the Notes from time to time entered in the records of both Euroclear and Clearstream, Luxembourg (together, the “**relevant Clearing Systems**”), which shall be completed and/or amended as the case may be upon (i) the exchange of the whole or a part of the interests recorded in the records of the relevant Clearing Systems in the temporary Global Note initially representing the Notes for a corresponding interest herein (in the case of Notes represented by a temporary Global Note upon issue), (ii) the issue of the Notes represented hereby (in the case of Notes represented by this permanent Global Note upon issue), (iii) the exchange of the whole or, where the limited circumstances so permit, a part of this permanent Global Note for Definitive Notes

* Delete as applicable

and/or (iv) the redemption or purchase and cancellation of Notes represented hereby, all as described below.

The records of the relevant Clearing Systems (which expression in this permanent Global Note means the records that each relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Notes) shall be conclusive evidence of the nominal amount of the Notes represented by this permanent Global Note and, for these purposes, a statement issued by a relevant Clearing System (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by this permanent Global Note at any time shall be conclusive evidence of the records of the relevant Clearing System at that time.

Promise to Pay

Subject as provided herein, the Issuer, for value received, hereby promises to pay to the bearer of this permanent Global Note, upon presentation and (when no further payment is due in respect of this permanent Global Note) surrender of this permanent Global Note, on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the aggregate nominal amount of Notes represented by this permanent Global Note and (unless this permanent Global Note does not bear interest) to pay interest in respect of the Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the methods of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Exchange

This permanent Global Note is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not, except as provided in the next paragraph, in part for the Definitive Notes:

- 1** if this permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other permitted clearing system (an "**Alternative 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 or
- 2** if principal in respect of any Notes is not paid when due, by the holder giving notice to the Trustee of its election for such exchange.

This permanent Global Note is exchangeable in part (provided, however, that if this permanent Global Note is held by or on behalf of Euroclear and/or Clearstream, Luxembourg, the rules of Euroclear and/or Clearstream, Luxembourg, as the case may be, so permit if so provided.

"**Exchange Date**" means a day falling not less than 60 days, or in the case of an exchange for Registered Notes 5 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and, except in the case of exchange pursuant to 2 above, in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System, are located.

Any such exchange may be effected on or after an Exchange Date by the holder of this permanent Global Note surrendering this permanent Global Note or, in the case of a partial exchange, presenting it to or to the order of the Issuing and Paying Agent. In exchange for this permanent Global Note, or part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, duly

executed and authenticated Definitive Notes in an aggregate nominal amount equal to the nominal amount of this permanent Global Note submitted for exchange (if appropriate, having attached to them all Coupons (and, where appropriate, Talons) in respect of interest that have not already been paid on this permanent Global Note), security printed and substantially in the form set out in Schedule 2 to the Trust Deed as supplemented and/or modified and/or superseded by the terms of Part A of the Schedule hereto.

On any exchange of a part of this permanent Global Note, the Issuer shall procure that the portion of the nominal amount hereof so exchanged shall be entered *pro rata* in the records of the relevant Clearing Systems and upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this permanent Global Note shall be reduced by an amount equal to such portion so exchanged.

Benefit of Conditions

Except as otherwise specified herein, this permanent Global Note, the Issuer shall procure that is subject to the Conditions and the Trust Deed and, until the whole of this permanent Global Note is exchanged for Definitive Notes or Registered Notes, the holder of this permanent Global Note shall in all respects be entitled to the same benefits as if it were the holder of the Definitive Notes for which it may be exchanged and as if such Definitive Notes had been issued on the Issue Date.

Payments

No person shall be entitled to receive any payment in respect of the Notes represented by this permanent Global Note that falls due after an Exchange Date for such Notes, unless upon due presentation of this permanent Global Note for exchange, delivery of Definitive Notes or Certificates is improperly withheld or refused by or on behalf of the Issuer or the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Definitive Notes.

Payments in respect of this permanent Global Note shall be made to its holder against presentation and (if no further payment falls to be made on it) surrender of it at the specified office of the Issuing and Paying Agent or of any other Paying Agent provided for in the Conditions and each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant Clearing Systems referred to herein shall not affect such discharge. The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant Clearing Systems and in the case of any payment of principal and upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this permanent Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed. For the purpose of any payments made in respect of this permanent Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 8(h) of the Conditions of the Senior Notes or Condition 10(h) of the Conditions of the Subordinated Notes, as applicable.

Prescription

Claims in respect of principal and interest (as each is defined in the Conditions) in respect of this permanent Global Note shall become void unless it is presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date.

Meetings

For the purposes of any meeting of Noteholders, the holder of this permanent Global Note shall (unless this permanent Global Note represents only one Note) be treated as two persons for the

purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

Cancellation

On cancellation of any Note represented by this permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption), the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this permanent Global Note shall be reduced by the aggregate nominal amount of the Notes so cancelled.

Purchase

Notes may only be purchased by the Issuer or any of its Subsidiaries if they are purchased together with the right to receive all future payments of interest thereon.

Issuer's Options

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Noteholders and the relevant Clearing Systems (or procuring that such notice is given on its behalf) within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the case of a partial exercise of an option, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg and shall be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion. Following the exercise of any such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this permanent Global Note shall be reduced accordingly.

Noteholders' Options

Any option of the Noteholders provided for in the Conditions may be exercised by the holder of this permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised. Following the exercise of any such option, the Issuer shall procure that the nominal amount of the Notes recorded in the records of the relevant Clearing Systems and represented by this permanent Global Note shall be reduced by the aggregate nominal amount stated in the relevant exercise notice.

Notices

Notices required to be given in respect of the Notes represented by this permanent Global Note may be given by their being delivered (so long as this permanent Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg and/or an Alternative Clearing System) to Euroclear, Clearstream, Luxembourg and/or such Alternative Clearing System, as the case may be, or otherwise to the holder of this permanent Global Note, rather than by publication as required by the Conditions.

Negotiability

This permanent Global Note is a bearer document and negotiable and accordingly:

- 1** is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to the Conditions
- 2** the holder of this permanent Global Note is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption, interest or otherwise payable in respect of this permanent Global Note and the Issuer has waived against such holder and any previous holder of this permanent Global Note all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by this Global Note and
- 3** payment upon due presentation of this permanent Global Note as provided herein shall operate as a good discharge against such holder and all previous holders of this permanent Global Note.

No provisions of this permanent Global Note shall alter or impair the obligation of the Issuer to pay the principal and premium of and interest on the Notes when due in accordance with the Conditions.

This permanent Global Note shall not be valid or become obligatory for any purpose until authenticated by or on behalf of the Issuing and Paying Agent and effectuated by the entity appointed as Common Safekeeper by the relevant Clearing Systems.

This permanent Global Note and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

In witness whereof the Issuer has caused this permanent Global Note to be duly signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This permanent Global Note is authenticated
by or on behalf of the Issuing and Paying Agent.

THE BANK OF NEW YORK MELLON, LONDON BRANCH

as Issuing and Paying Agent

By:

Authorised Signatory

For the purposes of authentication only.

Effectuation

This permanent Global Note

is effectuated by or on behalf of the Common Safekeeper.

CLEARSTREAM BANKING S.A.

as Common Safekeeper

By:

Authorised Signatory

For the purposes of effectuation only.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

* Delete as applicable

Schedule

[Insert the provisions of the relevant Final Terms that relate to the Conditions or the Global Notes as the Schedule.]

Schedule 1
Part E
Form of Global Certificate

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]

[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]

[SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]

[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*

EURO MEDIUM TERM NOTE PROGRAMME

GLOBAL CERTIFICATE

Global Certificate No. [●]

Registered Holder:

Address of Registered Holder:

Nominal amount of Notes
represented by this Global
Certificate:

This Global Certificate is issued in respect of the nominal amount specified above of the Notes (the “**Notes**”) of the Tranche and Series specified in Part A of the Schedule hereto of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/Southern Electric Power Distribution plc]* (the “**Issuer**”). This Global Certificate certifies that the Registered Holder (as defined above) is registered as the holder of such nominal amount of the Notes at the date hereof.

Interpretation and Definitions

References in this Global Certificate to the “Conditions” are to the Terms and Conditions applicable to the Notes (which are in the form set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed (as amended or supplemented as at the Issue Date, the “**Trust Deed**”) dated 6 June 2025 between SSE plc, Scottish Hydro Electric Power Distribution plc, Scottish Hydro Electric Transmission Limited and Southern Electric Power Distribution plc as issuers and BNY Mellon Corporate Trustee Services Limited as trustee, as such form is supplemented and/or modified and/or superseded by the provisions of this Global Certificate (including the supplemental definitions and any modifications or additions set out in Part A of the Schedule hereto), which in the event of any conflict shall prevail). Other capitalised terms used in this Global Certificate shall have the meanings given to them in the Conditions or the Trust Deed.

Promise to Pay

The Issuer, for value received, promises to pay to the holder of the Notes represented by this Global Certificate upon presentation and (when no further payment is due in respect of the Notes

* Delete as applicable

represented by this Global Certificate) surrender of this Global Certificate on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Notes represented by this Global Certificate and (unless the Notes represented by this Certificate do not bear interest) to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, on the dates for payment, and in accordance with the methods of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Notes represented by this Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions. Each payment 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 shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means each Monday, Tuesday, Wednesday, Thursday and Friday except 25 December and 1 January.

For the purposes of this Global Certificate, (a) the holder of the Notes represented by this Global Certificate is bound by the provisions of the Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Notes represented by this Global Certificate, (c) this Global Certificate is evidence of entitlement only, (d) title to the Notes represented by this Global Certificate passes only on due registration on the Register, and (e) only the holder of the Notes represented by this Global Certificate is entitled to payments in respect of the Notes represented by this Global Certificate.

Transfer of Notes represented by permanent Global Certificates

If the Schedule hereto states that the Notes are to be represented by a permanent Global Certificate on issue, transfers of the holding of Notes represented by this Global Certificate pursuant to Condition 2(b) of the relevant Conditions may only be made in part:

- (i) if the Notes represented by this Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative 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 or
- (ii) with the consent of the Issuer

provided that, in the case of the first transfer of part of a holding pursuant to (i) above, the holder of the Notes represented by this 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 this 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, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

Meetings

For the purposes of any meeting of Noteholders, the holder of the Notes represented by this Global Certificate shall (unless this Global Certificate represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders and as being entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes.

This Global Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

In witness whereof the Issuer has caused this Global Certificate to be signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This Global Certificate is authenticated
by or on behalf of the Registrar.

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH
as Registrar

By:

Authorised Signatory
For the purposes of authentication only.

* Delete as applicable

Form of Transfer

For value received the undersigned transfers to

.....
.....

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

[•] nominal amount of the Notes represented by this Global Certificate, and all rights under them.

Dated

Signed Certifying Signature

Notes:

- (i) The signature of the person effecting a transfer shall conform to a list of duly authorised specimen signatures supplied by the holder of the Notes represented by this Global Certificate or (if such signature corresponds with the name as it appears on the face of this Global Certificate) be certified by a notary public or a recognised bank or be supported by such other evidence as a Transfer Agent or the Registrar may reasonably require.
- (ii) A representative of the Noteholder should state the capacity in which he signs e.g. executor.

Schedule

[Insert the provisions of the relevant Final Terms that relate to the Conditions or the Global Certificate as the Schedule.]

Schedule 2
Part A
Form of Bearer Note

On the front:

[Denomination] **[ISIN]** **[Series]** **[Certif. No.]**

[Currency and denomination]

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]

[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]

[SCOTTISH HYDRO TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]

[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*

EURO MEDIUM TERM NOTE PROGRAMME

Series No. [•]

[Title of issue]

This Note forms one of the Series of Notes referred to above (the “**Notes**”) of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/Southern Electric Power Distribution plc]* (the “**Issuer**”) designated as specified in the title hereof. The Notes are subject to the Terms and Conditions (the “**Conditions**”) endorsed hereon and are issued subject to, and with the benefit of, the Trust Deed referred to in the Conditions. Expressions defined in the Conditions have the same meanings in this Note.

The Issuer for value received promises to pay to the bearer of this Note, on presentation and (when no further payment is due in respect of this Note) surrender of this Note on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions and (unless this Note does not bear interest) to pay interest from the Interest Commencement Date in arrear at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

This Note shall not become valid or obligatory for any purpose until authenticated by or on behalf of the Issuing and Paying Agent.

* Delete as applicable

In witness whereof the Issuer has caused this Note to be signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This Note is authenticated
by or on behalf of the Issuing and Paying Agent.

THE BANK OF NEW YORK MELLON, LONDON BRANCH
as Issuing and Paying Agent

By:

Authorised Signatory
For the purposes of authentication only.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

* Delete as applicable

On the back:

Terms and Conditions of the Notes

[The Terms and Conditions that are set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed as amended by and incorporating any additional provisions forming part of such Terms and Conditions and set out in Part A of the relevant Final Terms shall be set out here.]

Issuing and Paying Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Paying Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Schedule 2
Part B
Form of Certificate

On the front:

[SSE PLC
(Incorporated with limited liability in Scotland with registered number SC117119)]
[SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in Scotland with registered number SC213460)]
[SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC
(Incorporated with limited liability in Scotland with registered number SC213461)]
[SOUTHERN ELECTRIC POWER DISTRIBUTION PLC
(Incorporated with limited liability in England and Wales with registered number 04094290)]*
EURO MEDIUM TERM NOTE PROGRAMME

Series No. [●]

[Title of issue]

This Certificate certifies that [●] of [●] (the “**Registered Holder**”) is, as at the date hereof, registered as the holder of [nominal amount] of Notes of the Series of Notes referred to above (the “**Notes**”) of [SSE plc/Scottish Hydro Electric Power Distribution plc/Scottish Hydro Electric Transmission plc/Southern Electric Power Distribution plc]* (the “**Issuer**”), designated as specified in the title hereof. The Notes are subject to the Terms and Conditions (the “**Conditions**”) endorsed hereon and are issued subject to, and with the benefit of, the Trust Deed referred to in the Conditions. Expressions defined in the Conditions have the same meanings in this Certificate.

The Issuer, for value received, promises to pay to the holder of the Note(s) represented by this Certificate upon presentation and (when no further payment is due in respect of the Note(s) represented by this Certificate) surrender of this Certificate on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Notes represented by this Certificate and (unless the Note(s) represented by this Certificate do not bear interest) to pay interest in respect of such Notes from the Interest Commencement Date in arrear at the rates, in the amounts and on the dates for payment provided for in the Conditions together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

For the purposes of this Certificate, (a) the holder of the Note(s) represented by this Certificate is bound by the provisions of the Agency Agreement, (b) the Issuer certifies that the Registered Holder is, at the date hereof, entered in the Register as the holder of the Note(s) represented by this Certificate, (c) this Certificate is evidence of entitlement only, (d) title to the Note(s) represented by this Certificate passes only on due registration on the Register, and (e) only the holder of the Note(s) represented by this Certificate is entitled to payments in respect of the Note(s) represented by this Certificate.

* Delete as applicable

This Certificate shall not become valid for any purpose until authenticated by or on behalf of the Registrar.

In witness whereof the Issuer has caused this Certificate to be signed on its behalf.

Dated as of the Issue Date.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

CERTIFICATE OF AUTHENTICATION

This Certificate is authenticated
by or on behalf of the Registrar.

THE BANK OF NEW YORK MELLON SA/NV, LUXEMBOURG BRANCH
as Registrar

By:

Authorised Signatory
For the purposes of authentication only.

* Delete as applicable

On the back:

Terms and Conditions of the Notes

[The Terms and Conditions that are set out in Schedule 2 Part C (if the Notes are Senior Notes) or Schedule 2 Part D (if the Notes are Subordinated Notes) to the Trust Deed as amended by and incorporating any additional provisions forming part of such Terms and Conditions and set out in Part A of the relevant Final Terms shall be set out here.]

Form of Transfer

For value received the undersigned transfers to

.....
.....

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

[●] nominal amount of the Notes represented by this Certificate, and all rights under them.

Dated

Signed Certifying Signature

Notes:

- (i) The signature of the person effecting a transfer shall conform to a list of duly authorised specimen signatures supplied by the holder of the Notes represented by this Certificate or (if such signature corresponds with the name as it appears on the face of this Certificate) be certified by a notary public or a recognised bank or be supported by such other evidence as a Transfer Agent or the Registrar may reasonably require.
- (ii) A representative of the Noteholder should state the capacity in which he signs.

Unless the context otherwise requires capitalised terms used in this Form of Transfer have the same meaning as in the Trust Deed dated 6 June 2025 between the Issuer and the Trustee, [OTHER].

[TO BE COMPLETED BY TRANSFEREE:

[INSERT ANY REQUIRED TRANSFEREE REPRESENTATIONS, CERTIFICATIONS, ETC.]]

Issuing and Paying Agent and Transfer Agent

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

Registrar, Paying Agent and Transfer Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

Schedule 2
Part C
Terms and Conditions of the Senior Notes

SSE plc (“**SSE**”), Scottish Hydro Electric Power Distribution plc (“**SHEPD**”), Scottish Hydro Electric Transmission plc (“**SSEN Transmission**”) and Southern Electric Power Distribution plc (“**SEPD**”) (each an “**Issuer**” and together, the “**Issuers**”) have established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of senior notes (the “**Notes**”) and subordinated notes in an aggregate principal amount outstanding at any time not exceeding the Programme Limit (as defined in the Trust Deed referred to below). The Notes are constituted by an Amended and Restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) dated 1 June 2026 between the Issuers and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 6 June 2025 has been entered into in relation to the Notes between the Issuers, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and the other agent named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) 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 of the Agency Agreement applicable to them.

As used in these Conditions, “**Tranche**” means, in relation to a series of Notes, those Notes which are identical in all respects.

Any reference in these Conditions to a matter being “**shown hereon**” or “**specified hereon**” means as the same may be specified in the applicable Final Terms.

1 FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) specified in the applicable Final Terms.

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a RPI Linked Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 EXCHANGES OF NOTES AND TRANSFERS OF REGISTERED NOTES

- (a) **Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholder’s option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of

transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case maybe).

- (e) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 STATUS

The Notes and the Coupons relating to them constitute direct, unconditional and (subject to Condition 4) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

4 NEGATIVE PLEDGE

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will ensure that no Relevant Indebtedness of the Issuer or any Relevant Subsidiary or of any other person and no guarantee by the Issuer or any Relevant Subsidiary of any Relevant Indebtedness of any person will be secured by a mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any Relevant Subsidiary unless the Issuer shall, before or at the same time as the creation of such Security Interest, take any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured equally and rateably with the Relevant Indebtedness or guarantee, as the case may be, by the Security Interest to the satisfaction of the Trustee; or
- (b) such other Security Interest or guarantee or other arrangement (whether or not including the giving of a Security Interest) is provided in respect of all amounts payable by the Issuer under the Notes, the Coupons and the Trust Deed either (i) as the Trustee shall in its absolute discretion deem not materially less beneficial to the interests of the Noteholders or (ii) as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders,

save that the Issuer or any Relevant Subsidiary may create or have outstanding a Security Interest in respect of any Relevant Indebtedness and/or any guarantees given by the Issuer or any Relevant Subsidiary in respect of

any Relevant Indebtedness of any person (without the obligation to provide a Security Interest or guarantee or other arrangement in respect of the Notes, the Coupons and the Trust Deed as aforesaid) where (1) such Relevant Indebtedness has an initial maturity of not less than 20 years and is of a maximum aggregate amount outstanding at any time not exceeding the greater of £250,000,000 and 20 per cent., of the Capital and Reserves or (2) such Security Interest is provided in respect of a company becoming a Subsidiary of the Issuer after the date on which agreement is reached to issue the first Tranche of the Notes and where such Security Interest existed at the time that company becomes a Subsidiary of the Issuer (provided that such Security Interest was not created in contemplation of that company becoming a Subsidiary of the Issuer and the nominal amount secured at the time of that company becoming a Subsidiary of the Issuer is not subsequently increased).

5 INTEREST AND OTHER CALCULATIONS

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f).
- (b) **Interest on Floating Rate Notes and RPI Linked Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note and RPI Linked Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:
- (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment,
- (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day,
- (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or
- (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to any of Screen Rate Determination and/or Linear Interpolation shall apply, depending upon which is specified hereon.

- (A) Screen Rate Determination for Floating Rate Notes referencing EURIBOR
- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, and unless the Reference Rate in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being “SONIA”, the Rate of Interest for each Interest Accrual Period will, subject as provided below and subject to Condition 5(k), be either:
- (1) the offered quotation; or
 - (2) the arithmetic mean of the offered quotations,
- (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.
- (y) if the Relevant Screen Page is not available or if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such rates were offered at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market, provided that, if the Rate of Interest cannot be determined in

accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (B) Screen Rate Determination for Floating Rate Notes referencing Compounded SONIA
 - (x) SONIA Compounded Index Rate

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the applicable Final Terms as being SONIA Compounded Index Rate, the Rate of Interest for each Interest Period will, subject to Condition 5(k), be the SONIA Compounded Index Rate as follows, plus or minus (as indicated in the applicable Final Terms) the Margin.

For the purposes of this Condition 5(b)(C)(x)

“**SONIA Compounded Index Rate**” means with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1 \right) \times \left(\frac{365}{d} \right)$$

provided, however, that and subject to Condition 5(k), if the SONIA Compounded Index Value is not available in relation to any Interest Period on the Relevant Screen Page for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Rate of Interest shall be calculated for such Interest Period on the basis of the SONIA Compounded Daily Reference Rate as set out in Condition 5(b)(iii)(C)(y) as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified hereon and the “Relevant Screen Page” shall be deemed to be the “Relevant Fallback Screen Page” as specified hereon,

where:

“*d*” means the number of calendar days in the relevant Observation Period;

“**London Business Day**”, means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**Observation Period**” means, in respect of an Interest Period, the period from (and including) the date falling “p” London Business Days prior to the first day of such

Interest Period (and the first Observation Period shall begin on and include the date which is “p” London Business Days prior to the Issue Date) and ending on (but excluding) the date which is “p” London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“p” means, for any Interest Period the whole number specified hereon (or, if no such number is so specified, five London Business Days) representing a number of London Business Days;

“**SONIA Compounded Index**” means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

“**SONIA Compounded Index_{START}**” means, in respect of an Interest Period, the SONIA Compounded Index Value on the date falling “p” London Business Days prior to (i) the first day of such Interest Period, or (ii) in the case of the first Interest Period, the Issue Date;

“**SONIA Compounded Index_{END}**” means the SONIA Compounded Index Value on the date falling “p” London Business Days prior to (i) in respect of an Interest Period, the Interest Payment Date for such Interest Period, or (ii) if the Notes become due and payable prior to the end of an Interest Period, the date on which the Notes become so due and payable; and

“**SONIA Compounded Index Value**” means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England’s Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

(y) SONIA Compounded Daily Reference Rate

Where (i) Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined and (ii) the Reference Rate is specified in the applicable Final Terms as being SONIA Compounded Daily Reference Rate, the Rate of Interest for each Interest Period will, subject to Condition 5(k), be the SONIA Compounded Daily Reference Rate as follows, plus or minus (as indicated hereon) the Margin,

“**SONIA Compounded Daily Reference Rate**” means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**London Business Day**”, “**Observation Period**” and “**p**” have the meanings set out under Condition 5(b)(iii)(C)(x);

“**d**” is the number of calendar days in the relevant:

- (i) Observation Period where Observation Shift is specified hereon;
or
- (ii) Interest Period where Lag is specified hereon;

“**d_o**” is the number of London Business Days in the relevant:

- (i) Observation Period where Observation Shift is specified hereon;
or
- (ii) Interest Period where Lag is specified hereon;

“**i**” is a series of whole numbers from one to **d_o**, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

- (i) Observation Period where Observation Shift is specified hereon;
or
- (ii) Interest Period where Lag is specified hereon;

“**n_i**”, for any London Business Day “**i**”, means the number of calendar days from and including such London Business Day “**i**” up to but excluding the following London Business Day;

“**SONIA_i**” means, in relation to any London Business Day the SONIA reference rate in respect of:

- (i) that London Business Day “**i**” where Observation Shift is specified hereon; or
- (ii) the London Business Day (being a London Business Day falling in the relevant Observation Period) falling “**p**” London Business Days prior to the relevant London Business Day “**i**” where Lag is specified hereon; and

the “**SONIA reference rate**”, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (“**SONIA**”) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England’s Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate)

(z) Subject to Condition 5(k), where SONIA is specified as the Reference Rate hereon and either (i) SONIA Compounded Daily Reference Rate is specified hereon, or (ii) the SONIA Compounded Index Rate is specified hereon and Condition 5(b)(iii)(C)(y) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page as applicable, (or as otherwise provided in the relevant definition thereof), such Reference Rate shall be:

1. (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
2. if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof), and

in each case, SONIA_i shall be interpreted accordingly.

(aa) If the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 5(k), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified hereon, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by

the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources provided by the Issuer or an agent appointed at the time by the Issuer.

“**Applicable Maturity**” means in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

- (iv) *Rate of Interest for RPI Linked Notes*: The Rate of Interest in respect of RPI Linked Notes for each Interest Accrual Period shall be determined in the manner specified in Condition 7.
- (c) **Zero Coupon Notes**: Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Accrual of Interest**: Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 9).
- (e) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding**:
 - (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- (f) **Calculations**: The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest

Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Make-Whole Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11, the accrued interest and the Rate of Interest payable in respect of the Notes shall, subject in the case of each of the SONIA Compounded Index Rate and the SONIA Compounded Daily Reference Rate to Condition 5(b)(iii)(C)(y)(i), nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.
- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:
- “**Business Day**” means:
- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

- (ii) in the case of euro, a day on which T2 is open for the settlement of payments in euro (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s).

“EURIBOR” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market selected by the Issuer or by an agent appointed by the Issuer or as specified hereon.

“**Reference Rate**” means the rate specified as such hereon.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“**T2**” means the real time gross settlement system operated by the Eurosystem, or any successor system.

(j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) or other suitable financial services entity that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) **Benchmark Event:**

(i) *Independent Adviser*

(A) Subject in the case of Notes linked to SONIA to Condition 5(b)(iii)(C)(z) and Condition 5(b)(iii)(C)(aa), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, at the Issuer’s own expense, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(k)(vii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(k)(vii)) and any Benchmark Amendments (in accordance with Condition 5(k)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(k) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, or the Noteholders or the Couponholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(k).

(B) If (1) the Issuer is unable to appoint an Independent Adviser; or (2) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5(k)(i)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the

avoidance of doubt, this Condition 5(k)(i)(B) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, Condition 5(k)(i)(A).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(k)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(k)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(k)(iii)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(k)).

(iii) Adjustment Spread

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate and/or Adjustment Spread is determined in accordance with this Condition 5(k) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(k)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Paying Agents of a certificate signed by two directors of the Issuer pursuant to Condition 5(k)(v), the Trustee and the Paying Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement), provided that the Trustee and the Paying Agents shall not be obliged so to concur if in the opinion of the Trustee or any Paying Agent (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(k)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(v) *Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(k) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents, and (in the case of Registered Notes) the Registrar and Transfer Agent and, in accordance with Condition 17, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Paying Agents of the same, the Issuer shall deliver to the Trustee and the Paying Agents a certificate signed by two directors of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and, (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(k); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 5(k)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(b)(iii)(B)(y) and (z) and related definitions will continue to apply unless and until a Benchmark Event has occurred and the Trustee, the Calculation Agent and the Paying Agents have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and any Benchmark Amendments, in accordance with Condition 5(k)(v).

(vii) *Definitions:*

As used in this Condition 5(k):

“**Adjustment Spread**” means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (B) the Issuer, following consultation with the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);
- (C) the Issuer, following consultation with the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“**Alternative Rate**” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines in accordance with Condition 5(k)(ii) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“**Benchmark Amendments**” has the meaning given to it in Condition 5(k)(iv).

“**Benchmark Event**” means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes; or
- (e) the making of an official announcement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (f) it has become unlawful for any Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate,

provided that in the case of sub-paragraphs (b), (c) and (d), the Benchmark Event shall be deemed to occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement. For the avoidance of doubt, none of the Trustee, the Paying Agents or the Calculation Agent will be responsible for determining whether or not a Benchmark Event has occurred.

“**Independent Adviser**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(k)(i).

“**Original Reference Rate**” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“**Relevant Nominating Body**” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 REDEMPTION, PURCHASE AND OPTIONS

(a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) subject to adjustment in accordance with Condition 7 if Indexation is specified hereon.

(b) **Early Redemption:**

(i) *Zero Coupon Notes:*

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Note pursuant to Condition 6(c), ¹[Condition 6(e)(ii)],²[Condition 6(e)(iii)] or ²[Condition 6(e)(iv)] or upon it becoming due and payable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), ¹[Condition 6(e)(ii)], ²[Condition 6(e)(iii)] or ²[Condition 6(e)(iv)] or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date.

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c), ¹[Condition 6(e)(ii)], ²[Condition 6(e)(iii)] or ²[Condition 6(e)(iv)] or upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount unless otherwise specified hereon, subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon.

¹ Only applicable where SHEPD, SSEN Transmission or SEPD is the Issuer.

² Only applicable where SSE is the Issuer.

- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part on any Interest Payment Date (if this Note is either a Floating Rate Note or a RPI Linked Note) or at any time (if this Note is neither a Floating Rate Note nor a RPI Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately before the giving of such notice that it has or will become obliged to pay additional amounts as described under Condition 9 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee (i) a certificate signed by two directors of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on Noteholders and the Couponholders and (ii) an opinion in a form satisfactory to the Trustee of independent legal advisers of recognised standing to whom the Trustee shall have no reasonable objection to the effect that such amendment or change has occurred (irrespective of whether such amendment or change is then effective).
- (d) **Redemption at the Option of the Issuer:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Optional Redemption Date (that is, if the Issuer Maturity Par Call is specified to be applicable hereon, more than 90 days prior to the Maturity Date). Any such redemption of Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued to the date fixed for redemption, subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

If Make-Whole Redemption is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on any Make-Whole Redemption Date (that is, if the Issuer Maturity Par Call is specified to be applicable hereon, more than 90 days prior to the Maturity Date). Any such redemption of Notes shall be at the Make-Whole Amount which shall be equal to the higher of the following, in each case together with interest accrued to (but excluding) the Make-Whole Redemption Date, and subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon: (a) 100 per cent. of the nominal amount of the Notes being redeemed; or (b) the price (as reported to the Issuer and the Calculation Agent by the Financial Adviser and expressed as a percentage) that provides for a Gross Redemption Yield on such Notes on the Reference Date equal (after adjusting for any difference in compounding frequency) to the Reference Bond Rate at the Specified Time on the Reference Date, plus the Redemption Margin (if any).

Where:

“Financial Adviser” means an investment banking, accountancy, appraisal or financial advisory firm with international standing that has (in the reasonable opinion of the Issuer) appropriate expertise

relevant to the determination required to be made under this Condition 6(d) selected by the Issuer and approved by the Trustee.

“Gross Redemption Yield” means a yield expressed as a percentage and calculated by the Financial Adviser in accordance with generally accepted market practice.

“Redemption Margin” shall be as specified hereon.

“Reference Bond(s)” means, as at the Reference Date, a current on-the-run government security or securities having an actual or, where there is more than one Reference Bond, interpolated maturity comparable with the remaining term of the Notes that would be utilised in accordance with generally accepted market practice in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes (if the Notes were to remain outstanding to the Maturity Date), as determined by the Financial Adviser.

“Reference Bond Rate” means the actual or, where there is more than one Reference Bond, interpolated, yield per annum calculated by the Financial Adviser in accordance with generally accepted market practice by reference to the arithmetic mean of the middle market prices provided by three Reference Dealers for the Reference Bond(s) having an actual or interpolated maturity equal to the remaining term of the Notes (if the Notes were to remain outstanding to the Maturity Date).

“Reference Date” means the fifth London Business Day prior to the Make-Whole Redemption Date.

“Reference Dealer” means a bank selected by the relevant Issuer or its affiliates in consultation with the Financial Adviser which is (A) a primary government securities dealer, or (B) a market maker in pricing corporate bond issues.

“Specified Time” shall be as specified hereon.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6(d) by the Financial Adviser, shall (in the absence of negligence, wilful default, manifest error or bad faith) be binding on the Issuer, the Calculation Agent and the Trustee, the Paying Agents and all Noteholders and the Couponholders and (in the case of Registered Notes) the Registrar and the Transfer Agents and (in the absence as aforesaid) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Financial Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to the provisions of this Condition 6(d).

Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(e) **Redemption at the Option of Noteholders:**

- (i) If General Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon, the **“Notice Period”**) redeem such Note on the Optional Redemption Date(s) at the Optional Redemption Amount specified hereon

together with interest accrued to the date fixed for redemption, subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon.

- (ii) This Condition 6(e)(ii) applies only where SHEPD, SSEN Transmission or SEPD is the Issuer.

If Restructuring Event Put Option is specified hereon and if, at any time while any of the Notes remains outstanding, a Restructuring Event occurs and prior to the commencement of or during the Restructuring Period an Independent Financial Adviser shall have certified in writing to the Trustee that such Restructuring Event will not be or is not, in its opinion, materially prejudicial to the interests of the Noteholders, the following provisions of this Condition 6(e)(ii) shall cease to have any further effect in relation to such Restructuring Event.

If Restructuring Event Put Option is specified hereon and if, at any time while any of the Notes remains outstanding, a Restructuring Event occurs and (subject to the above paragraph):

- (A) within the Restructuring Period, either:
- (I) if at the time such Restructuring Event occurs the Notes are rated, a Rating Downgrade in respect of such Restructuring Event also occurs; or
 - (II) if at such time the Notes are not rated, a Negative Rating Event also occurs;
- (B) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (i) and (ii) above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Restructuring Event (the “**Confirmation**”); and
- (C) an Independent Financial Adviser shall have certified in writing to the Trustee that such Restructuring Event is, in its opinion, materially prejudicial to the interests of the Noteholders (a “**Negative Certification**”),

then, unless at any time the Issuer shall have given a notice under Condition 6(c), 6(d), 6(f), 6(g) or 6(h) the holder of each Note will, upon the giving of a Put Event Notice (as defined below), have the option (the “**Restructuring Event Put Option**”) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) that Note on the date which is seven days after the expiration of the Put Period (as defined below) (or such other date as may be specified hereon, the “**Put Date**”), at the Restructuring Event Redemption Amount specified hereon together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon.

An event shall be deemed not to be a Restructuring Event if, notwithstanding the occurrence of a Rating Downgrade or a Negative Rating Event, the rating assigned to the Notes by any Rating Agency is subsequently increased to, or, as the case may be, there is assigned to the Notes an investment grade credit rating (BBB-/Baa3 or their respective equivalents for the time being) or better prior to any Negative Certification being issued.

Any certification by an Independent Financial Adviser as aforesaid as to whether or not, in its opinion, any Restructuring Event is materially prejudicial to the interests of the Noteholders shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Issuer and the Noteholders.

- (iii) This Condition 6(e)(iii) applies only where SSE is the Issuer:

If Change of Control Put Option is specified hereon and if, at any time while any of the Notes remains outstanding, a Change of Control occurs and:

(A) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry:

- (I) a credit rating from any Rating Agency and there occurs, within the Change of Control Period, a Change of Control Rating Downgrade; or
- (II) no credit rating and a Change of Control Negative Rating Event also occurs within the Change of Control Period,

provided that an event shall be deemed not to be a Change of Control if, notwithstanding the occurrence of a Change of Control Rating Downgrade or a Change of Control Negative Rating Event, the rating assigned to the Notes by any Rating Agency is subsequently increased to, or, as the case may be, there is assigned to the Notes an investment grade credit rating (BBB-/Baa3 or their respective equivalents for the time being) or better within the Change of Control Period; and

(B) in making any decision to downgrade or withdraw a credit rating pursuant to paragraphs (I) and (II) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Change of Control Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement (the “**Confirmation**”),

then, unless at any time the Issuer shall have given a notice under Condition 6(c), 6(d), 6(f), 6(g) or 6(h) the holder of each Note will, upon the giving of a Put Event Notice (as defined below), have the option (the “**Change of Control Put Option**”) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) that Note on the date which is seven days after the expiration of this Put Period (as defined below) (or such other date as may be specified hereon, the “**Put Date**”), at the Change of Control Redemption Amount specified hereon together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date, subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon.

(iv) This Condition 6(e)(iv) applies only where SSE is the Issuer:

If SSE Restructuring Event Put Option is specified hereon and as soon as reasonably practicable after the occurrence of a SSE Restructuring Event, the Issuer shall make a Public Announcement and if, within the SSE Restructuring Period, either:

- (A) (if at the time that the SSE Restructuring Event occurs there are Rated Securities) a SSE Rating Downgrade in respect of the SSE Restructuring Event occurs; or
- (B) (if at the time that the SSE Restructuring Event occurs there are no Rated Securities) a SSE Negative Rating Event in respect of the SSE Restructuring Event occurs,

(the SSE Restructuring Event and SSE Rating Downgrade or the SSE Restructuring Event and SSE Negative Rating Event, as the case may be, occurring within the SSE Restructuring Period, together called a “**SSE Restructuring Event Put Event**”),

then, unless the Issuer shall have previously given a notice under Condition 6(c), 6(d), 6(f), 6(g) or 6(h) the holder of each Note will have the option (the “**SSE Restructuring Event Put Option**”) upon the giving of Put Event Exercise Notice (as defined below) to require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) such Note on the

date which is seven days after the expiration of the Put Period (as defined below) (or such other date as may be specified hereon, the “**Put Date**”) at the SSE Restructuring Event Redemption Amount specified hereon together with (or, where purchased, together with an amount equal to) interest (if any) accrued to (but excluding) the Put Date, subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon.

The Issuer shall, forthwith upon becoming aware of the occurrence of any event which may (after taking into account all (if any) other relevant events in relation to Disposed Assets for the purpose of this Condition 6(e)(iv)) result in a SSE Restructuring Event (a “**Potential SSE Restructuring Event**”) (a) provide the Trustee with the relevant Directors’ Report and (b) to the extent permitted by the terms of the engagement letter between the Issuer and the Reporting Accountants, provide or procure that the Reporting Accountants provide the Trustee with a copy of the Accountants’ Report. The Directors’ Report and the Accountants’ Report shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders. The Trustee shall be entitled to act, or not act, and rely on without being expected to verify the accuracy of the same (and shall have no liability to Noteholders for doing so) any Directors’ Report and/or any Accountants’ Report provided to it (whether or not addressed to it).

- (v) Promptly upon, and in any event within 14 days after, the Issuer becoming aware that a ³[Restructuring Event Put Event], ⁴[Change of Control Put Event] or ⁴[SSE Restructuring Event Put Event] has occurred, the Issuer shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding, the Trustee shall (subject to it being indemnified and/or secured to its satisfaction), give notice (a “**Put Event Notice**”) to the Noteholders in accordance with Condition 17 specifying the nature of the ³[Restructuring Event Put Event], ⁴[Change of Control Put Event] or ⁴[SSE Restructuring Event Put Event] and the procedure for exercising the ³[Restructuring Event Put Option], ⁴[Change of Control Put Option] or ⁴[SSE Restructuring Event Put Option].

If the rating designations employed by any of Moody’s, S&P or Fitch are changed from those which are described in the definition of ³[Rating Downgrade], ⁴[Change of Control Rating Downgrade] or [SSE Rating Downgrade] below, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of Moody’s, S&P or Fitch or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Moody’s, S&P or Fitch and this Condition 6 shall be construed accordingly.

The Trust Deed provides that the Trustee is under no obligation to ascertain whether ³[a Restructuring Event, a Negative Rating Event or a Potential Restructuring Event (as defined in the Trust Deed)], ⁴[a Change of Control Put Event, Change of Control, a Change of Control Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control] or ⁴[a SSE Restructuring Event, a SSE Negative Rating Event or a Potential SSE Restructuring Event] has occurred and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary the Trustee may assume without liability to any person for so doing that no such event has occurred. The Trust Deed also provides that in determining whether or not a ³[Restructuring Event] or ⁴[SSE Restructuring Event] has occurred, the Trustee shall be entitled, but not bound, to rely solely on an opinion given in a certificate signed by two directors of the Issuer.

³ Only applicable where SHEPD, SSEN Transmission or SEPD is the Issuer.

⁴ Only applicable where SSE is the Issuer.

To exercise any option specified in this Condition 6(e) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Notice Period or 30 days after a Put Event Notice is given (or such other put period as may be specified hereon, the “**Put Period**”), as applicable. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Redemption for Index Reasons:** If Indexation is specified hereon and if the Index (as defined in Condition 7) ceases to be published or any changes are made to it which, in the opinion of the Expert (as defined in Condition 7), constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Noteholders and if the Expert fails within 30 days after its appointment (or such longer period as the Trustee considers reasonable), or states to the Issuer and the Trustee that it is unable, to recommend for the purposes of the Notes any adjustments to the Index or any substitute index (with or without adjustments) as described in Condition 7(b)(iii), the Issuer shall, within 14 days after the expiry of such period or (as the case may be) after the date of such statement, give notice (which shall be irrevocable and shall state the date fixed for redemption which shall be not more than 15 days after the date on which the notice is given) to redeem the Notes then outstanding, at a price equal to their outstanding nominal amount as adjusted for indexation in accordance with Condition 7 together (where applicable) with accrued interest on the outstanding nominal amount to the date fixed for redemption (as adjusted as aforesaid).

If the Index ceases to be published or any changes are made to it which, in the opinion of the Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Issuer and if the Expert fails within 30 days after its appointment (or such longer period as the Trustee considers reasonable), or states to the Issuer and the Trustee that it is unable to recommend for the purposes of the Notes any adjustments to the Index or any substitute index (with or without adjustments) as described in Condition 7(b)(iii), the Issuer may at its option, within 14 days after the expiry of such period or (as the case may be) after the date of such statement, give notice (which shall be irrevocable and shall state the date fixed for redemption which shall be not more than 15 days after the date on which the notice is given) to redeem the Notes then outstanding, at a price equal to their nominal amount as adjusted for indexation in accordance with Condition 7, together (where applicable) with accrued interest on the outstanding nominal amount to the date fixed for redemption (as adjusted as aforesaid).

- (g) **Redemption at the option of the Issuer (Issuer Maturity Par Call):** If Issuer Maturity Par Call is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem the Notes in whole, but not in part, at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (but excluding) the Maturity Date, at the Final Redemption Amount specified hereon together with interest accrued (if any) to (but excluding) the date fixed for redemption, subject to adjustment in accordance with Condition 7 if Indexation is specified hereon.
- (h) **Clean-Up Call Option:** If Clean-Up Call Option is specified hereon and immediately prior to the giving of the notice referred to below, a Clean-Up Call Event has occurred then the Issuer may, subject to having given not less than 30 nor more than 60 days’ irrevocable notice to the Noteholders, redeem the Notes in whole, but not in part, on the date specified in such notice at the Clean-Up Redemption Amount (which, unless otherwise specified hereon, shall be their principal amount), together with interest accrued (if any) to (but excluding) the date fixed for redemption, subject to adjustment in accordance with Condition 7 if Indexation is specified hereon.

- (i) **Purchases:** The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (j) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 INDEXATION

If Indexation is specified hereon:

- (a) **Indexation:**
 - (i) The redemption amount payable pursuant to Condition 6(a), 6(b), 6(c), 6(d), 6(e), 6(f), 6(g) or 6(h) and the amount payable pursuant to Condition 11 upon repayment of the Notes, as the case may be, shall be the Early Redemption Amount, the Optional Redemption Amount, the Make-Whole Amount, ⁵ [the Restructuring Event Redemption Amount], ⁶ [the Change of Control Redemption Amount], ² [the SSE Restructuring Event Redemption Amount] or the outstanding nominal amount of the Notes, as the case may be, multiplied by the Index Ratio applicable to the date on which such redemption amount or repayment becomes payable.

Interest on the Notes shall be calculated at the Rate of Interest specified hereon multiplied by the Index Ratio applicable to the date on which such payment falls to be made and rounded to six decimal places (0.0000005 being rounded upwards). The amount of interest payable on each Note shall be calculated in accordance with Condition 5(f).

The Calculation Agent will calculate such redemption amount, repayment amount, amount of interest or rate of interest (as the case may be) as soon as practicable after each time such amount or rate is capable of being determined and will notify the Issuing and Paying Agent thereof as soon as practicable after calculating the same. The Issuing and Paying Agent will as soon as practicable thereafter notify the Issuer and any stock exchange on which the Notes are for the time being listed thereof and cause notice thereof to be published in accordance with Condition 17.

- (ii) *Definitions:* For the purposes of these Conditions:

“**Base Index Figure**” means, subject as provided in Condition 7(b) below, the Base Index Figure specified hereon;

“**Calculation Date**” means any date when a payment of interest or, as the case may be, principal falls due;

“**Expert**” means an independent investment bank or other expert in London appointed by the Issuer and approved by the Trustee or (failing such appointment within 10 days after the Trustee shall have requested such appointment) appointed by the Trustee;

⁵ Only applicable where SHEPD, SSEN Transmission, or SEPD is the Issuer

⁶ Only applicable where SSE is the Issuer

“**Index**” or “**Index Figure**” means, in relation to any calculation month (as defined in Condition 7(b)(ii)(A)), subject as provided in Conditions 6(f) and 7(b), the United Kingdom General Index of Retail Prices (for all items) as published by the Office for National Statistics (January 1987=100) as published by HM Government (currently contained in the Monthly Digest of Statistics) and applicable to such calculation month or, if that index is not published for any calculation month, any substituted index or index figures published by the Office for National Statistics or the comparable index which replaces the United Kingdom General Index of Retail Prices (for all items) for the purpose of calculating the amount payable on repayment of the Reference Gilt;

Any reference to the “**Index Figure applicable**” to a particular Calculation Date shall, subject as provided in Condition 7(b) below, and if “3 months lag” is specified hereon, be calculated in accordance with the following formula:

$$IFA = RPI_{m-3} \frac{(\text{Day of Calculation Date}-1)}{(\text{Days in month of Calculation Date})} \times (RPI_{m-2} - RPI_{m-3})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

“**IFA**” means the Index Figure applicable;

“**RPI_{m-3}**” means the Index Figure for the first day of the month that is three months prior to the month in which the payment falls due;

“**RPI_{m-2}**” means the Index Figure for the first day of the month that is two months prior to the month in which the payment falls due;

Any reference to the “**Index Figure applicable**” to a particular Calculation Date shall, subject as provided in Condition 7(b) below, and if “8 months lag” is specified hereon, be calculated in accordance with the following formula:

$$IFA = RPI_{m-8} \frac{(\text{Day of Calculation Date}-1)}{(\text{Days in month of Calculation Date})} \times (RPI_{m-7} - RPI_{m-8})$$

and rounded to five decimal places (0.000005 being rounded upwards) and where:

“**IFA**” means the Index Figure applicable;

“**RPI_{m-8}**” means the Index Figure for the first day of the month that is eight months prior to the month in which the payment falls due;

“**RPI_{m-7}**” means the Index Figure for the first day of the month that is seven months prior to the month in which the payment falls due;

“**Index Ratio**” applicable to any Calculation Date means the Index Figure applicable to such date divided by the Base Index Figure and rounded to five decimal places (0.000005 being rounded upwards); and

“**Reference Gilt**” means the Reference Gilt specified hereon (or, if such stock is not in existence, such other index-linked stock issued by or on behalf of HM Government as the Issuer, on the advice of three leading brokers and/or gilt edged market makers (or such other three persons operating in the gilt edged market as the Issuer subject to the approval of the Trustee, may select), may consider to be the most appropriate reference government stock for the Notes).

(b) **Changes in Index:**

- (i) *Change in base:* If at any time the Index is changed by the substitution of a new base for it, then with effect from (and including) the date from and including that on which such substitution takes effect:
- (A) the definition of Index and Index Figure in Condition 7(a) shall be deemed to refer to the new date in substitution for January 1987 (or, as the case may be, for such other date or month as may have been substituted for it); and
 - (B) the definition of Base Index Figure in Condition 7(a) shall be amended to mean the product of the then-applicable Base Index Figure and the Index immediately following such substitution, divided by the Index immediately prior to such substitution.
- (ii) *Delay in publication of the Index:*
- (A) If, in relation to a particular payment of interest or to the redemption of the Notes and otherwise than in circumstances which the Issuer certifies to the Trustee may fall within Condition 7(b)(iii) or 6(f) (notwithstanding that the Issuer may subsequently be advised that they do not fall within Condition 7(b)(iii) or 6(f)), the Index Figure relating to any month (the “**calculation month**”) which is required to be taken into account for the purposes of the determination of the Index Figure applicable for any date is not published on or before the fourteenth day before the date on which such payment is due (the “**date for payment**”), the Index Figure relating to the relevant calculation month shall be the substitute index figure (if any) as is published by the Bank of England or the United Kingdom Debt Management Office (or such other United Kingdom authority as may be appropriate) for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more of HM Government’s index-linked stocks, as determined by the Expert; or
 - (B) if no such determination is made by the Expert within seven days, the Index Figure last published before the date for payment.

Where the provisions of this Condition 7(b)(ii) apply, the certificate of the Issuer, acting on the advice of an Expert, as to the Index Figure applicable to the date for payment falls shall be conclusive and binding upon the Issuer, the Trustee and the Noteholders. If a substitute index is published as specified in (A) above, a determination made based on that index shall be final and no further payment by way of adjustment shall be made, notwithstanding that the Index Figure applicable to the date for payment may subsequently be published. If no substitute index is so published and the Index relating to the date for payment is subsequently published, then:

- (x) in the case of any Note not falling due for redemption on the date for payment, if the Index so subsequently published (if published while that Note remains outstanding) is greater or less than the Index applicable by virtue of (B) above, the interest payable on that Note on the Interest Payment Date next succeeding the date of such subsequent publication shall be increased or reduced to reflect the amount by which the interest payable on that Note on the date for payment on the basis of the Index applicable by virtue of (B) above fell short of, or (as the case may be) exceeded the interest which would have been payable on that Note if the Index subsequently published had been published on or before the second business day before the date for payment; or
- (y) in the case of any Note falling due for final redemption on the date for payment, no subsequent adjustment to amounts paid will be made.

- (iii) *Cessation of or fundamental changes to the Index*: If the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Issuer or the Noteholders and if, within 30 days after its appointment (or such longer period as the Trustee may consider reasonable), the Expert recommends for the purposes of the Notes one or more adjustments to the Index or a substitute index (with or without adjustments), then provided that such adjustments or substitute index (as the case may be) are not materially detrimental (in the opinion of the Expert) either to the interests of the Issuer or the interests of the Noteholders, as compared to the interests of the Issuer and the Noteholders (as the case may be) as they would have been had the Index continued to be published or such fundamental change in the rules governing the Index not been made, the Index shall be adjusted as so recommended or (as the case may be) shall be replaced by the substitute index so recommended (as so adjusted, if so recommended) and references in these Conditions to the Index shall be construed accordingly and the Issuer shall notify the Noteholders of the adjustments to the Index or the introduction of the substitute index (with or without adjustments) in accordance with Condition 17.

If any payment in respect of the Notes is due to be made after the cessation or changes referred to in the preceding paragraph but before any such adjustment to, or replacement of, the Index takes effect, the Issuer shall (if the Index Figure applicable (or deemed applicable) to the date for payment is not available in accordance with the provisions of Condition 7(a)) make a provisional payment on the basis that the Index Figure applicable to the date for payment is the Index last published. In that event or in the event of any payment on the Notes having been made on the basis of an Index deemed applicable under Condition 7(b)(ii)(A) above (also referred to below as a “**provisional payment**”) and of the Trustee on the advice of the Expert (on which it may rely solely without liability to any person for so doing) subsequently determining that the relevant circumstances fall within this Condition 7(b)(iii), then:

- (A) except in the case of a payment on redemption of the Notes, if the sum which would have been payable if such adjustments or such substitute index had been in effect on the due date for such provisional payment is greater or less than the amount of such provisional payment, the interest payable on the Notes on the Interest Payment Date next succeeding the last date by which the Issuer and Trustee receive such recommendation shall be increased or reduced to reflect the amount by which such provisional payment of interest fell short of, or (as the case may be) exceeded, the interest which would have been payable on the Notes if such adjustments or such substituted index had been in effect on that date; or
- (B) in the case of a payment of principal or interest on redemption of the Notes, no subsequent adjustment to amounts paid will be made.
- (iv) *Trustee*: The Trustee shall be entitled to assume that no cessation of or change to the Index has occurred until informed otherwise by the Issuer and will not be responsible for identifying or appointing an Expert save as provided in these Conditions.
- (c) **Appointment of Expert**: At any time when under these Conditions it is necessary to have, or the Trustee requests, the appointment of an Expert, the Issuer shall take such steps as are necessary to appoint an Expert approved by the Trustee and at the expense of the Issuer.

8 PAYMENTS AND TALONS

- (a) **Bearer Notes**: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the Notes (in the case of all other payments of

principal and, in the case of interest, as specified in Condition 8(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 8(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) **Registered Notes:**

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretation thereof, or any law implementing an intergovernmental approach thereto, and, save as provided in Condition 9, the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreement. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. If any additional Paying Agents are appointed in connection with the Notes, the names of such Paying Agents will be specified in the applicable Final Terms. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one

or more Calculation Agent(s) where these Conditions so require, (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 8(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) **Unmatured Coupons and unexchanged Talons:**

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than RPI Linked Notes), such Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Make-Whole Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, or RPI Linked Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may reasonably require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 10).

(h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

9 TAXATION

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders and the Couponholders 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 with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing the relevant Note is 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 presenting it for payment on the thirtieth day.

References in these Conditions to principal, premium and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Notwithstanding anything to the contrary contained herein, the Issuer shall be entitled to withhold and deduct any amounts required to be deducted or withheld in respect of payment of principal and/or interest made by it in respect of the Notes and the Coupons 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 law implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”), and neither the Issuer nor any other person shall be required to pay any Additional Amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon 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 presentation of the Note (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Make-Whole Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to

include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

10 PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 EVENTS OF DEFAULT

If any of the following events (“**Events of Default**”) occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, subject to it being indemnified and/or secured to its satisfaction, give notice to the Issuer that the Notes are, and they shall thereupon immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest, subject in each case to adjustment in accordance with Condition 7 if Indexation is specified hereon:

- (i) **Non-Payment:** default is made for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest due in respect of the Notes or any of them; or
- (ii) **Breach of Other Obligations:** the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (except where the Trustee shall have certified to the Issuer in writing that it considers such failure to be incapable of remedy in which case no such notice or continuation as is hereinafter mentioned will be required) such failure continues for the period of 60 days (or such longer period as the Trustee may in its absolute discretion permit) next following the service by the Trustee of notice on the Issuer requiring the same to be remedied; or
- (iii) **Cross-Acceleration:** (A) any other Indebtedness For Borrowed Money of the Issuer or any Principal Subsidiary becomes due and repayable prior to its stated maturity by reason of an event of default or (B) any such Indebtedness For Borrowed Money is not paid when due or, as the case may be, within any applicable grace period (as originally provided) or (C) the Issuer or any Principal Subsidiary fails to pay when due (or, as the case may be, within any originally applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness For Borrowed Money of any person or (D) any security given by the Issuer or any Principal Subsidiary for any Indebtedness For Borrowed Money of any person or for any guarantee or indemnity of Indebtedness For Borrowed Money of any person becomes enforceable by reason of default in relation thereto and steps are taken to enforce such security, save in any such case where there is a bona fide dispute as to whether the relevant Indebtedness For Borrowed Money or any such guarantee or indemnity as aforesaid shall be due and payable, provided that the aggregate amount of the relevant Indebtedness For Borrowed Money in respect of which any one or more of the events mentioned above in this paragraph (iii) has or have occurred equals or exceeds whichever is the greater of £20,000,000 or its equivalent in other currencies (as determined by the Trustee) or two per cent, of Capital and Reserves, and for the purposes of this paragraph (iii), “Indebtedness For Borrowed Money” shall exclude Project Finance Indebtedness; or
- (iv) **Winding up — Issuer:** any order shall be made by any competent court or any resolution shall be passed for the winding up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement on terms previously approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders) or by an Extraordinary Resolution of the Noteholders; or

- (v) **Winding up — Principal Subsidiary:** any order shall be made by any competent court or any resolution shall be passed for the winding up or dissolution of a Principal Subsidiary, save for the purposes of amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement (A) not involving or arising out of the insolvency of such Principal Subsidiary and under which all the surplus assets of such Principal Subsidiary are transferred to the Issuer or any of its other Subsidiaries (other than an Excluded Subsidiary) or (B) the terms of which have previously been approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders) or by an Extraordinary Resolution of the Noteholders; or
- (vi) **Cessation of Business:** the Issuer or any Principal Subsidiary shall cease to carry on the whole or substantially the whole of its business, save in each case for the purposes of amalgamation, merger, consolidation, reorganisation, reconstruction or other similar arrangement (A) not involving or arising out of the insolvency of the Issuer or such Principal Subsidiary and under which all or substantially all of its assets are transferred to another member or members of the Group (other than an Excluded Subsidiary) or to a transferee or transferees which is or are, or immediately upon such transfer become(s), a Principal Subsidiary or Principal Subsidiaries or (B) under which all or substantially all of its assets are transferred to a third party or parties (whether associates or not) for full consideration by the Issuer or a Principal Subsidiary on an arm's length basis or (C) the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders,⁷[provided that if neither the Issuer nor any Relevant Subsidiary holds the Distribution Licence, the Issuer shall be deemed to have ceased to carry on the whole or substantially the whole of its business (and neither of exceptions (A) and (B) shall apply)]; or
- (vii) **Insolvency:** the Issuer or any Principal Subsidiary shall suspend or announce its intention to suspend payment of its debts generally or shall be declared or adjudicated by a competent court to be unable, or shall admit in writing its inability, to pay its debts generally (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986) as they fall due, or shall be adjudicated or found insolvent by a competent court or shall enter into any composition or other similar arrangement with its creditors generally under Section 1 of the Insolvency Act 1986; or
- (viii) **Security Enforced:** a receiver, administrative receiver, administrator or other similar official shall be appointed in relation to the Issuer or any Principal Subsidiary or in relation to the whole or a substantial part of the undertaking or assets of any of them or a distress, execution or other process shall be levied or enforced upon or sued out against, or any encumbrancer shall take possession of, the whole or a substantial part of the assets of any of them and in any of the foregoing cases it or he shall not be paid out or discharged within 90 days (or such longer period as the Trustee may in its absolute discretion permit),

provided that in the case of paragraphs (ii), (iii), (v), (vi), (viii) and (other than in relation to the Issuer) (vii) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Noteholders.

For the purposes of paragraph (vii) above, Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for “£750” there was substituted “£250,000”. Neither the Issuer nor any Principal Subsidiary shall be deemed to be unable to pay its debts for the purposes of paragraph (vii) above if any such demand as is mentioned in Section 123(1)(a) of the Insolvency Act 1986 is being contested in good faith by the Issuer or the relevant Principal Subsidiary with recourse to all appropriate measures and procedures or if any such demand is satisfied before the expiration of such period as may be stated in any notice given by the Trustee under this Condition.

⁷ Only applicable where SHEPD, SSEN Transmission or SEPD is the Issuer.

12 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders (including by way of telephone or video conference) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent, in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:
- (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes,
 - (ii) to reduce or cancel the nominal amount of or any premium payable on redemption of, the Notes,
 - (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes,
 - (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum,
 - (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or the Make-Whole Amount, including the method of calculating the Amortised Face Amount,
 - (vi) to vary the currency or currencies of payment or denomination of the Notes, or
 - (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution,

in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions and/or the Trust Deed required to be made in the circumstances described in Condition 5(k).

Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. The Trust Deed provides that a resolution in writing signed by or on behalf of holders of not less than 90 per cent, of the aggregate nominal amount of Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(k). Any such modification, authorisation or waiver shall be binding on the

Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

- (c) **Substitution:** The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of any Relevant Subsidiary or any wholly-owned Subsidiary (other than an Excluded Subsidiary) of the Issuer subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer, ⁸(ii) such Relevant Subsidiary or wholly-owned Subsidiary holding the Distribution Licence or, if and, to the extent that, such Relevant Subsidiary or wholly-owned Subsidiary or the Issuer does not hold the Distribution Licence, an unconditional and irrevocable guarantee in respect of the Notes being provided by the Relevant Subsidiary and/or a wholly-owned Subsidiary of the Issuer which holds the Distribution Licence,] (iii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (iv) certain other conditions set out in the Trust Deed being complied with. Where the Notes are to have the benefit of a guarantee provided by the Issuer and a Relevant Subsidiary or a wholly-owned Subsidiary as aforesaid, such guarantee shall be on a joint and several basis.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

13 ENFORCEMENT

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Notes outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

15 REPLACEMENT OF NOTES, CERTIFICATES, COUPONS AND TALONS

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the

⁸ Only applicable where SHEPD, SSEN Transmission or SEPD is the Issuer.

case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

16 FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

17 NOTICES

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

18 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19 DEFINITIONS

For the purposes of these Conditions:

“**Accountants’ Report**” means a report of the Reporting Accountants stating whether the amounts included in the calculation of the Operating Profit and the amount for Consolidated Operating Profit as included in the Directors’ Report have been accurately extracted from the accounting records of the Issuer and its consolidated subsidiaries and whether the Disposal Percentage included in the Directors’ Report has been correctly calculated which will be prepared pursuant to an engagement letter to be entered into by the Reporting Accountants and the Issuer.

The Issuer shall use reasonable endeavours to procure that there shall at the relevant time be Reporting Accountants who have (a) entered into an engagement letter with the Issuer which shall (i) not limit the liability of the Reporting Accountants by reference to a monetary cap, (ii) permit the Trustee to receive a copy of, and rely upon, any Accountants’ Reports produced by them and (iii) be available for inspection by Noteholders at

the principal office of the Trustee or (b) agreed to provide Accountants' Reports on such other terms as the Issuer and the Trustee, in its absolute discretion, shall approve.

If the Issuer, having used reasonable endeavours, is unable to procure that there shall at the relevant time be Reporting Accountants who have entered into an engagement letter complying with (i) above, the Trustee may rely on an Accountants' Report (whether or not addressed to it) which contains a limit on the liability of the Reporting Accountants by reference to a monetary cap or otherwise.

Investors should be aware that the engagement letter may contain a limit on the liability of the Reporting Accountants which may impact on the interests of Noteholders.

If the Issuer, having used reasonable endeavours, is unable to procure that there shall at the relevant time be Reporting Accountants who have entered into an engagement letter complying with (ii) above, the Issuer shall procure that the Directors' Report shall state whether or not the Accountants Report confirms whether or not (x) the amounts referred to in the first paragraph of this definition have been so correctly extracted and (y) the relevant Disposal Percentage has been correctly calculated and, if applicable, shall give details of any respects in which the Accountants' Report reaches a different conclusion from that stated in the Directors' Report. In the event that the Accountants' Report does not confirm that such amounts have been correctly extracted and/or correctly calculated, the Issuer shall, as soon as reasonably practicable, provide the Trustee with a revised Directors' Report which states that the Accountants' Report confirms the details referred to in (x) and (y) above in relation to the contents of such revised Directors Report. The Trustee may rely upon the revised Directors' Report regardless of the contents of any previous Directors' Report delivered as contemplated by this paragraph.

The Issuer shall give notice in writing to the Trustee of the identity of the Reporting Accountants at any relevant time;

"Balancing and Settlement Code" means the document as may be modified from time to time, setting out the balancing and settling arrangements established by National Grid Electricity Transmission plc or any other successor system or operator pursuant to its distribution licence;

"Capital and Reserves" means the aggregate of:

- (i) the amount paid up or credited as paid up on the share capital of the Issuer; and
- (i) the total of the capital, revaluation and revenue reserves of the Group, including any share premium account, capital redemption reserve and credit balance on the profit and loss account, but excluding sums set aside for taxation and amounts attributable to minority interests and deducting any debit balance on the profit and loss account,

all as shown in the then latest audited consolidated balance sheet and profit and loss account of the Group prepared in accordance with generally accepted accounting principles in the United Kingdom, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Issuer since the date of that balance sheet and further adjusted as may be necessary to reflect any change since the date of that balance sheet in the Subsidiary Undertakings comprising the Group and/or as the Auditors (as defined in the Trust Deed) may consider appropriate.

A report by the Auditors as to the amount of the Capital and Reserves at any given time shall, in the absence of manifest error, be conclusive and binding on all parties;

"Change of Control" means the occurrence of an event whereby any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent, of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent, of the voting rights normally exercisable at a general meeting of the Issuer;

“Change of Control Period” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

a **“Change of Control Put Event”** occurs on the date of the last to occur of (a) a Change of Control, (b) either a Change of Control Rating Downgrade or, as the case may be, a Change of Control Negative Rating Event and (c) the Confirmation;

a **“Change of Control Rating Downgrade”** shall be deemed to have occurred in respect of a Change of Control if the then current rating assigned to the Notes by any Rating Agency at the invitation of the Issuer (or where there is no rating from any Rating Agency assigned at the invitation of the Issuer, the then current rating (if any) assigned to the Notes by any Rating Agency of its own volition) is withdrawn or reduced from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, if the Rating Agency shall then have already rated the Notes below investment grade (as described above), the rating is lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lowering);

a **“Change of Control Negative Rating Event”** shall be deemed to have occurred if at such time as there is no rating assigned to the Notes by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes, or any other unsecured and unsubordinated debt of the Issuer or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being) from a Rating Agency by the end of the Change of Control Period, provided that in either case, there is at least one Rating Agency in operation at such time from whom to obtain such a rating. If there is no Rating Agency so in operation no Change of Control Negative Rating Event shall be deemed to occur;

“Clean-Up Call Event” means the Clean-Up Call Threshold Percentage specified in the applicable Final Terms or more of the principal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 16 will be deemed to have been originally issued) have been purchased (other than as a result of a partial redemption of the Notes pursuant to Condition 6(d)) by the Issuer;

“Clean-Up Redemption Amount” is as specified hereon;

“Clean-Up Call Threshold Percentage” means the percentage threshold specified hereon;

“Consolidated Operating Profit” means the consolidated operating profit on ordinary activities before tax and interest and before taking account of depreciation and amortisation of goodwill and regulatory assets (and, for the avoidance of doubt, excluding the impact of IAS 39 and exceptional items, as reflected in the Relevant Accounts) of the Issuer (including any share of operating profit of associates and joint ventures) determined in accordance with International Financial Reporting Standards (**“IFRS”**) by reference to the Relevant Accounts;

“Directors’ Report” means a report prepared and signed by two directors of the Issuer addressed to the Trustee setting out the Operating Profit, the Consolidated Operating Profit and the Disposal Percentage (in each case in relation to the relevant Disposed Assets), stating any assumptions which the directors have employed in determining, in each case, the Operating Profit, confirming whether or not a SSE Restructuring Event has occurred and, where applicable, containing the relevant confirmation referred to in the definition of **“Accountants Report”** above (and includes any revision made to any previous report);

“Disposal Percentage” means, in relation to a sale, transfer, lease or other disposal or dispossession of any Disposed Assets, the ratio of (a) the aggregate Operating Profit to (b) the Consolidated Operating Profit, expressed as a percentage;

“Disposed Assets” means, where the Issuer and/or any of its subsidiaries sells, transfers, leases or otherwise disposes of or is dispossessed by any means (but excluding sales, transfers, leases, disposals or dispossessions which, when taken together with any related lease back or similar arrangements entered into in the ordinary course of business, have the result that Operating Profit directly attributable to any such undertaking, property or assets continues to accrue to the Issuer or, as the case may be, such subsidiary), otherwise than to a wholly-owned subsidiary of the Issuer or to the Issuer, of the whole or any part (whether by a single transaction or by a number of transactions whether related or not) of its undertaking or (except in the ordinary course of business of the Issuer or any such subsidiary) property or assets, the undertaking, property or assets sold, transferred, leased or otherwise disposed of or of which it is so dispossessed;

“Distribution Licence” means the distribution licence granted to the Issuer under Section 6(1)(c) of the Electricity Act, as amended by Section 30 of the Utilities Act, and from time to time, any other replacement licence or licences or exemptions granted or issued by any relevant authority or person in the United Kingdom to the Issuer which entitles the Issuer to distribute electricity in the United Kingdom or any part thereof;

“Electricity Act” means the Electricity Act 1989 as amended or re-enacted from time to time and all subordinate legislation made pursuant thereto;

“Excluded Subsidiary” means any Subsidiary of the Issuer:

- (i) which is a single purpose company whose principal assets and business are constituted by the ownership, acquisition, development and/or operation of an asset;
- (ii) none of whose Indebtedness For Borrowed Money in respect of the financing of such ownership, acquisition, development and/or operation of an asset is subject to any recourse whatsoever to any member of the Group (other than such Subsidiary or another Excluded Subsidiary) in respect of the repayment thereof, except as expressly referred to in paragraph (ii) of the definition of Project Finance Indebtedness; and
- (iii) which has been designated as such by the Issuer by written notice to the Trustee,

provided that the Issuer may give written notice to the Trustee at any time that any Excluded Subsidiary is no longer an Excluded Subsidiary, whereupon it shall cease to be an Excluded Subsidiary;

“Gas and Electricity Markets Authority” means the authority so named and established under Section 1 of the Utilities Act or, as the case may be, any other competent authority;

“Group” means the Issuer and its Subsidiary Undertakings and **“member of the Group”** shall be construed accordingly;

“Indebtedness For Borrowed Money” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash;

“Independent Financial Adviser” means a financial adviser appointed by the Issuer and approved by the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders) or, if the Issuer shall not have appointed such an adviser within 21 days after becoming aware of the occurrence of a Restructuring Event and the Trustee is indemnified and/or secured to its satisfaction against the costs of such adviser, appointed by the Trustee following consultation with the Issuer;

a **“Negative Rating Event”** shall be deemed to have occurred if (A) the Issuer does not, either prior to or not later than 14 days after the date of a Negative Certification in respect of the relevant Restructuring Event, seek, and thereupon use all reasonable endeavours to obtain, a rating of the Notes or (B) if it does so seek and use

such endeavours, it is unable, as a result of such Restructuring Event, to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being);

“Operating Profit”, in relation to any Disposed Assets, means the operating profits on ordinary activities before tax and interest and before taking account of depreciation and amortisation of goodwill and regulatory assets (and, for the avoidance of doubt, excluding the impact of IAS 39 and exceptional items, as reflected in the Relevant Accounts) of the Issuer and its consolidated subsidiaries directly attributable to such Disposed Assets as determined in accordance with IFRS by reference to the Relevant Accounts and, if Relevant Accounts do not yet exist, determined in a manner consistent with the assumptions upon which the Directors’ Report is to be based. Where the Directors of the Issuer have employed assumptions in determining the Operating Profit, those assumptions should be clearly stated in the Directors’ Report;

“Principal Subsidiary” at any time shall mean:

- (i) any Relevant Subsidiary; or
- (ii) any Subsidiary of the Issuer (not being an Excluded Subsidiary or any other Subsidiary of the Issuer at least 90 per cent, in nominal amount of whose Indebtedness For Borrowed Money is Project Finance Indebtedness):
 - (A) whose (a) profits on ordinary activities before tax or (b) net assets represent 20 per cent., or more of the consolidated profits on ordinary activities before tax of the Issuer or, as the case may be, consolidated net assets of the Issuer, in each case as calculated by reference to the then latest audited financial statements of such Subsidiary (consolidated in the case of a Subsidiary which itself has subsidiaries) and the then latest audited consolidated financial statements of the Issuer provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest relevant audited consolidated financial statements of the Issuer relate, the reference to the then latest audited consolidated financial statements of the Issuer for the purposes of the calculation above shall, until consolidated financial statements for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned financial statements as if such Subsidiary had been shown in such financial statements by reference to its then latest relevant audited financial statements (consolidated in the case of a Subsidiary which itself has subsidiaries), adjusted as deemed appropriate by the Auditors after consultation with the Issuer; or
 - (B) to which is transferred all or substantially all of the business, undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, whereupon the transferor Subsidiary shall immediately cease to be a Principal Subsidiary and the transferee Subsidiary shall become a Principal Subsidiary under the provisions of this sub-paragraph (B) upon publication of its next audited financial statements but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary of the Issuer on or at any time after the date on which such audited financial statements have been published by virtue of the provisions of sub-paragraph (A) above or before, on or at any time after such date by virtue of the provisions of this sub-paragraph (B).

A report by the Auditors that, in their opinion, a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders;

“Project Finance Indebtedness” means any present or future indebtedness incurred to finance the ownership, acquisition, development and/or operation of an asset, whether or not an asset of a member of the Group:

- (i) which is incurred by an Excluded Subsidiary; or

- (ii) in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group (other than an Excluded Subsidiary) for the repayment thereof other than:
- (A) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset; and/or
 - (B) recourse for the purpose only of enabling amounts to be claimed in respect of such indebtedness in an enforcement of any encumbrance given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such indebtedness, provided that (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such person or persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence proceedings for the winding up or dissolution of any member of the Group (other than an Excluded Subsidiary) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group (other than an Excluded Subsidiary) or any of its assets (save for the assets the subject of such encumbrance); and/or
 - (C) recourse under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition) by any member of the Group (other than an Excluded Subsidiary);

References to the Notes being “rated” are to the Notes having a rating from a Rating Agency;

“**Public Announcement**” means an announcement made by the Issuer of the occurrence of an SSE Restructuring Event in accordance with Condition 17;

“**Rated Securities**” means the Notes, if and for so long as they shall have an effective rating from a Rating Agency and otherwise any Rateable Debt which is rated by a Rating Agency; provided that if there shall be no such Rateable Debt outstanding prior to the maturity of the Notes, the holders of not less than one-quarter in principal amount of outstanding Notes may require the Issuer to obtain and thereafter update on an annual basis a rating of the Notes from a Rating Agency. In addition, the Issuer may at any time obtain, and thereafter update, on an annual basis a rating of the Notes from a Rating Agency, provided that, except as provided above, the Issuer shall not have any obligation to obtain such a rating of the Notes;

“**Rating Agency**” means Moody’s Investors Service, Inc. or any of its Subsidiaries and their successors (“**Moody’s**”), S&P Global Ratings or any of its Subsidiaries and their successors (“**S&P**”) or Fitch Ratings, Inc or any of its Subsidiaries and their successors (“**Fitch**”), or any rating agency (a “**Substitute Rating Agency**”) substituted for any of them (or any permitted substitute of them) by the Issuer from time to time with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders);

“**Relevant Accounts**” means the most recent annual audited consolidated financial accounts of the Issuer preceding the relevant sale, transfer, lease or other disposal or dispossession of any Disposed Asset;

“**Relevant Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs;

a “**Rating Downgrade**” shall be deemed to have occurred in respect of a Restructuring Event if the then current rating assigned to the Notes by any Rating Agency (whether provided by a Rating Agency at the invitation of the Issuer or by its own volition) is withdrawn or reduced from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, if the Rating Agency shall then have already rated the Notes below investment grade (as described above), the rating is lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lowering);

“**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) in the form of or represented by notes, bonds, debentures, debenture stock, loan stock or other securities, whether issued for cash or in whole or in part for a consideration other than cash, and which, with the agreement of the person issuing the same, are quoted, listed or ordinarily dealt in on any stock exchange or recognised over-the-counter or other securities market, but shall in any event not include Project Finance Indebtedness;

“**Relevant Subsidiary**” means a wholly-owned Subsidiary of the Issuer or of another Relevant Subsidiary which is a guarantor in respect of, or is a primary obligor under, the Notes as contemplated in Condition 12(c) or paragraph (i)(c) of the definition of Restructuring Event;

“**Reporting Accountants**” means the auditors for the time being of the Issuer (but not acting in their capacity as auditors) or such other firm of accountants as may be nominated by the Issuer and approved in writing by the Trustee for the purpose (such approval not to be unreasonably withheld or delayed having regard to the interests of the Noteholders) or, failing which, as may be selected by the Trustee for the purpose;

“**Restructuring Event**” means the occurrence of any one or more of the following events:

- (i)
- (c) the Issuer or, as the case may be, a Relevant Subsidiary agrees in writing with the Secretary of State (or any successor) to any revocation or surrender of the Distribution Licence; or
- (d) any legislation (whether primary or subordinate) is enacted terminating or revoking the Distribution Licence, except in any such case in circumstances where a licence or licences on (in the opinion of the Trustee after consultation with the Issuer) no less favourable terms is or are granted to the Issuer or a Relevant Subsidiary and in the case of such Relevant Subsidiary at the time of such grant it either executes in favour of the Trustee an unconditional and irrevocable guarantee in respect of the Notes in such form as the Trustee may approve (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders) or becomes the primary obligor (jointly or severally where appropriate) under the Notes in accordance with Condition 12(c); or
- (ii) any modification, other than a modification which is of a formal, minor or technical nature, is made to the terms and conditions of the Distribution Licence on or after the date on which agreement is reached to issue the first Tranche of the Notes unless two directors of the Issuer certify to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely without liability) that such modified terms and conditions are not materially less favourable to the business of the Issuer; or
- (iii) any legislation (whether primary or subordinate) is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for Trade and Industry (or any successor) and/or the Gas and Electricity Markets Authority (or any successor) under Section 3A of the Electricity Act unless two directors of the Issuer have certified in good faith to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely without liability) that the legislation is not materially adverse to the business of the Group; or

(iv)

- (c) the Issuer or, as the case may be, a Relevant Subsidiary is given an Expulsion Notice (as defined in the Balancing and Settlement Code) pursuant to Section A.5.2.4 of the Balancing and Settlement Code requiring it to cease to be a party thereto; or
- (d) there shall have occurred a Default (as defined in the Balancing and Settlement Code) under Section H.3.1.1 of the Balancing and Settlement Code in relation to the Issuer or, as the case may be, a Relevant Subsidiary, and such default remains unremedied or unwaived; or
- (e) the Issuer or, as the case may be, a Relevant Subsidiary ceases to be a party to the Balancing and Settlement Code for any reason (other than pursuant to (b) and (c) above) except where a Distribution Licence is granted to a Relevant Subsidiary or, as the case may be, another Relevant Subsidiary as contemplated by paragraph (a) above and at or about the same time all rights and obligations of the Issuer or, as the case may be, a Relevant Subsidiary, pursuant to the Balancing and Settlement Code, which are attributable to such licence are assigned and transferred to such Relevant Subsidiary in such manner as the Trustee may approve (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders) or such Relevant Subsidiary enters into one or more agreements, commercial arrangements or open market mechanisms or frameworks in relation to such licence which two directors of the Issuer certify to the Trustee (upon which certification the Trustee shall be entitled to rely absolutely without liability) to be not materially less favourable to the business of the Group; or
- (f) any modification is made to the Balancing and Settlement Code in accordance with its terms or any legislation (whether primary or subordinate) is enacted terminating or modifying the Balancing and Settlement Code, provided that any such modification is material in the context of the rights and obligations of the Issuer or, as the case may be, a Relevant Subsidiary under the Balancing and Settlement Code; and provided further that any modification shall to the extent it grants or confers powers or discretions on the Gas and Electricity Markets Authority (or any successor) under or in respect of the Balancing and Settlement Code be deemed not to be material as aforesaid, but for the avoidance of doubt, any modification to the Balancing and Settlement Code made by the Gas and Electricity Markets Authority (or any successor) by virtue of or pursuant to any such powers or discretions and which otherwise would be a material modification as provided above shall not, by virtue of this provision be deemed not to be material;

A “**Restructuring Event Put Event**” occurs on the date of the last to occur of (a) a Restructuring Event, (b) either a Rating Downgrade or, as the case may be, a Negative Rating Event, (c) the Confirmation and (d) the relevant Negative Certification;

“**Restructuring Period**” means:

- (i) if at any time a Restructuring Event occurs the Notes are rated, the period of 90 days starting from and including the day on which that Restructuring Event occurs; or
- (ii) at the time a Restructuring Event occurs the Notes are not rated, the period starting from and including the day on which that Restructuring Event occurs and ending on the day 90 days following the later of (a) the date on which the Issuer shall seek to obtain a rating as contemplated in the definition of Negative Rating Event prior to the expiry of the 14 days referred to in that definition and (b) the date on which a Negative Certification shall have been given to the Issuer in respect of that Restructuring Event;

(or, in each case, such longer period in which the Rated Securities are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency);

“**Secretary of State**” means the Secretary of State for Business, Enterprise and Regulatory Reforms (or any successor);

“**SSE Negative Rating Event**” shall be deemed to have occurred if at the time of the SSE Restructuring Event there are no Rated Securities and either:

- (i) the Issuer does not, either prior to or not later than 21 days after the relevant SSE Restructuring Event, seek, and thereafter throughout the SSE Restructuring Period use all reasonable endeavours to obtain, a rating of the Notes or any other unsecured and unsubordinated debt of the Issuer having an initial maturity of five years or more (“**Rateable Debt**”) from a Rating Agency; or
- (ii) if the Issuer does so seek and use such endeavours, it is unable, as a result of such SSE Restructuring Event, to obtain a rating from a Rating Agency within the SSE Restructuring Period of at least BBB or Baa2 (or their respective equivalents for the time being),

provided that in either case there is at least one Rating Agency in operation at such time from whom to obtain such a rating, and if there is no Rating Agency in operation no SSE Negative Rating Event will be deemed to occur. The Issuer shall promptly notify the Trustee in writing of the date on which it first seeks to obtain the rating referred to in paragraph (a) above;

“**SSE Rating Downgrade**” shall be deemed to have occurred in respect of the SSE Restructuring Event if the then current rating assigned to the Rated Securities by any Rating Agency at the invitation of the Issuer (or where there is no rating from any Rating Agency assigned at the invitation of the Issuer, the then current rating (if any) assigned to the Rated Securities by any Rating Agency of its own volition) is: (i) withdrawn or reduced from a rating of at least BBB or Baa2 (or their respective equivalents for the time being) to a rating below BBB or Baa2 (or their respective equivalents for the time being) or, (ii) if a Rating Agency shall already have rated the Rated Securities below BBB or Baa2 (or their respective equivalents for the time being), the rating is lowered at least one full rating notch (for example, BBB/ Baa2 to BBB-/Baa3 (or, in each case, their respective equivalents for the time being)); provided that a SSE Rating Downgrade otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular SSE Restructuring Event if the Rating Agency making the reduction in rating to which this definition would otherwise apply does not announce publicly or confirm in writing to the Issuer or the Trustee that its decision resulted, in whole or in part, from the occurrence of, or any event or circumstance comprised in or arising as a result of, or in respect of, the applicable SSE Restructuring Event (whether or not the SSE Restructuring Event shall have occurred at the time of the SSE Rating Downgrade);

“**SSE Restructuring Event**” shall be deemed to have occurred at any time (whether or not approved by the board of directors of the Issuer) if the sum of all (if any) Disposal Percentages arising within any period of 36 consecutive months commencing on or after the date on which agreement is reached to issue the first Tranche of the Notes is greater than 30 per cent.; and

“**SSE Restructuring Period**” means:

- (i) if at the time a SSE Restructuring Event occurs there are Rated Securities, the period of 90 days beginning on and including the date of the relevant Public Announcement; or
- (ii) if at the time a SSE Restructuring Event occurs there are no Rated Securities, the period beginning on and including the day on which such SSE Restructuring Event occurs and ending on the day 90 days

following the later of (a) the date on which the Issuer shall seek to obtain a rating as contemplated in the definition of SSE Negative Rating Event prior to the expiry of the 21 days referred to in that definition and (b) the date of the relevant Public Announcement,

(or, in each case, such longer period in which the Rated Securities are under consideration (such consideration having been announced publicly within the first mentioned 90 day period) for rating review or, as the case may be, rating by a Rating Agency);

“**Subsidiary**” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006;

“**Subsidiary Undertaking**” shall have the meaning given to it by Section 1162 of the Companies Act 2006 (but, in relation to the Issuer, shall exclude any undertaking (as defined in Section 1161 of the Companies Act 2006) whose accounts are not included in the then latest published audited consolidated accounts of the Issuer, or (in the case of an undertaking which has first become a subsidiary undertaking of a member of the Group since the date as at which any such audited accounts were prepared) would not have been so included or consolidated if it had become so on or before that date);

“**Utilities Act**” means the Utilities Act 2000 as amended or re-enacted from time to time and all subordinate legislation made pursuant thereto; and

“**wholly-owned Subsidiary**” means a 100 per cent. owned Subsidiary of the Issuer.

Any reference to an obligation being guaranteed shall include a reference to an indemnity being given in respect of such obligation.

20 GOVERNING LAW

- (a) **Governing law:** The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. Each Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

Schedule 2
Part D
Terms and Conditions of the Subordinated Notes

SSE plc (“**SSE**” and the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of subordinated notes (the “**Notes**”) and senior notes in an aggregate principal amount outstanding at any time not exceeding the Programme Limit (as defined in the Trust Deed referred to below). The Notes are constituted by an Amended and Restated Trust Deed (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) dated 1 June 2026 between, among others, the Issuer and BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An Amended and Restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 6 June 2025 has been entered into in relation to the Notes between, among others, the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and the other agent named in it. The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) 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 of the Agency Agreement applicable to them.

As used in these Conditions, “**Tranche**” means, in relation to a series of Notes, those Notes which are identical in all respects.

Any reference in these Conditions to a matter being “**shown hereon**” or “**specified hereon**” means as the same may be specified in the applicable Final Terms.

1 FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon provided that the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination.

The Notes will be Reset Rate Notes.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent

jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 EXCHANGES OF NOTES AND TRANSFERS OF REGISTERED NOTES

- (a) **Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options in Respect of Registered Notes:** In the case of an exercise of the Issuer’s option in respect of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or 2(c) shall be available for delivery within three business days of receipt of the request for exchange or form of transfer, and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case maybe).

- (e) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration, transfer or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(b), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3 STATUS

The Notes and the Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders and the Couponholders are subordinated as described in Condition 4.

4 SUBORDINATION

(a) **General:** In the event of:

- (i) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, amalgamation or the substitution in place of the Issuer of a “successor in business” (as defined in the Trust Deed) of the Issuer, the terms of which reorganisation, reconstruction, amalgamation or substitution (x) have previously been approved in writing by the Trustee or by an Extraordinary Resolution (as defined in the Trust Deed) and (y) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions); or
- (ii) an administrator of the Issuer being appointed and such administrator giving notice that it intends to declare and distribute a dividend,

there shall be payable by the Issuer in respect of each Note and Coupon (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Noteholder of such Note and Coupon if, on the day prior to the commencement of the winding-up or such administration, as the case may be, and thereafter, such Noteholder were the holder of one of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”) having an equal right to a return of assets in the winding-up or such administration, as the case may be, and so ranking *pari passu* with, the claims of holders of all Parity Obligations, but ranking junior to the claims of holders of all Senior Obligations (except as otherwise provided by mandatory provisions of law), on the assumption that the amount that such Noteholder was entitled to receive in respect of each Notional Preference Share on a return of assets in such winding-up or such administration, as the case may be, were an amount equal to the principal amount of the relevant Note and any accrued and unpaid interest and any outstanding Arrears of Interest.

Nothing in this Condition 4(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof.

Accordingly, and without prejudice to the rights of the Trustee or the Agents, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration before the Noteholders may expect to obtain any recovery in respect of their Notes and prior thereto Noteholders will have only limited ability to influence the conduct of such winding-up or administration. See “Risk Factors – Risks related to the structure of a particular issue of Notes – Subordinated Notes - Limited Remedies”.

- (a) **Set-off:** Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or

arising under or in connection with the Notes or the Coupons and each Noteholder and Couponholder shall, by virtue of their holding of any Note or Coupon, be deemed to have waived all such rights of set-off, compensation or retention.

5 INTEREST AND OTHER CALCULATIONS

- (a) **Interest on the Notes:** Each Note bears interest on its outstanding nominal amount (unless “Mid-Swap Rate” has been selected in the applicable Final Terms and a Benchmark Event has occurred, in which case the First Reset Rate of Interest and/or any Subsequent Reset Rate of Interest, as applicable, shall be determined pursuant to and in accordance with Condition 5(i)):
- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date, at the Initial Rate of Interest;
 - (ii) for the First Reset Period, at the First Reset Rate of Interest; and
 - (iii) for each Subsequent Reset Period thereafter, at the relevant Subsequent Reset Rate of Interest,
- and such interest shall (subject to Condition 6) be payable, in each case, in arrear on the Interest Payment Dates specified in the applicable Final Terms. The amount of interest payable shall be determined in accordance with Condition 5(d).
- (b) **Accrual of Interest:** The Notes will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 7 or the date of substitution thereof pursuant to Condition 8, as the case may be, unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the applicable Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 11).
- (c) **Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**
- a. If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - b. For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.
- In no event shall the Rate of Interest be less than zero.
- (d) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period shall be equal to the product of the applicable Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (e) **Determination and Publication of Rates of Interest, Interest Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Reset

Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Period, calculate the Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Early Redemption Amount or Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. If the Notes become due and payable under Condition 13, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (f) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, Early Redemption Amount or Optional Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.
- (g) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) or other suitable financial services entity that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

- (h) **Step-up after Change of Control Event:** Notwithstanding any other provision of this Condition 5 but subject to Condition 6, if the Issuer does not elect to redeem the Notes in accordance with Condition 7(g) following the occurrence of a Change of Control Event, the then prevailing Rate of Interest, and each subsequent Rate of Interest otherwise determined in accordance with the provisions of this Condition 5, on the Notes shall be increased by the Change of Control Step-Up Margin specified in the applicable Final Terms with effect from (and including) the date on which the Change of Control Event occurred.

Without prejudice to the Issuer's right to redeem the Notes in accordance with Condition 7(g) following the occurrence of any Change of Control Event, this Condition 5(h) shall only apply in relation to the first Change of Control Event to occur while any of the Notes remain outstanding.

(i) **Benchmark Event**

(i) **Independent Adviser:**

- (A) Other than in the case of Notes in respect of which "Benchmark Gilt Rate" is specified hereon, notwithstanding the provisions above in this Condition 5, if a Benchmark Event occurs in relation to an Original Reference Rate when the First Reset Rate of Interest or any Subsequent Reset Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(i)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(i)(iii)) and any Benchmark Amendments (in accordance with Condition 5(i)(iv)).

An Independent Adviser appointed pursuant to this Condition 5(i) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents or the Noteholders or the Couponholders for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(i).

- (B) If (1) the Issuer is unable to appoint an Independent Adviser; or (2) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(i)(i) (x) prior to the relevant Reset Determination Date in respect of a relevant Reset Period, the Rate of Interest applicable to the next succeeding Reset Period shall be determined using the Original Reference Rate last displayed on the Mid-Swap Screen Page prior to the relevant Reset Determination Date. Where a different margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Reset Period from that which applied to the last preceding Reset Period, the margin or Maximum or Minimum Rate of Interest relating to the relevant Reset Period shall be substituted in place of the margin or Maximum or Minimum Rate of Interest relating to that last preceding Reset Period. For the avoidance of doubt, this Condition 5(i)(i)(B) shall apply to the relevant next succeeding Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5(i)(i)(A).

- (ii) **Successor Rate or Alternative Rate:** If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:
- i. there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant component part of the First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable) for all future payments of interest on the Notes from the end of the then current Reset Period onwards (subject to the subsequent operation of this Condition 5(i)); or
 - ii. there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 5(i)(iii)) subsequently be used in place of the Original Reference Rate to determine the relevant component part of the First Reset Rate of Interest or Subsequent Reset Rate of Interest (as applicable) for all future payments of interest on the Notes from the end of the then current Reset Period onwards (subject to the operation of this Condition 5(i)).
- (iii) **Adjustment Spread:** If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).
- (iv) **Benchmark Amendments:** If any Successor Rate, Alternative Rate and/or Adjustment Spread is determined in accordance with this Condition 5(i) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(i)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Paying Agents of a certificate signed by two directors of the Issuer pursuant to Condition 5(i)(v), the Trustee and the Paying Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement), provided that the Trustee and the Paying Agents shall not be obliged so to concur if in the opinion of the Trustee or any Paying Agent (as applicable) doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to it in these Conditions and/or any documents to which it is a party (including, for the avoidance of doubt, any supplemental trust deed) in any way.

In connection with any such variation in accordance with this Condition 5(i)(iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 5(i), no Successor Rate or Alternative Rate will be adopted, nor any Adjustment Spread applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a reduction in or loss of the equity credit (or such other nomenclature that a Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Notes from a Rating Agency.

- (v) **Notices, etc.:** Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents, and (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Paying Agents of the same, the Issuer shall deliver to the Trustee and the Paying Agents a certificate signed by two directors of the Issuer:

- i. confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate and (iii) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(i); and
- ii. certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Trustee and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

- (vi) **Survival of Original Reference Rate:** Without prejudice to the obligations of the Issuer under Condition 5(i)(i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in Condition 5(a) and the related definitions will continue to apply unless and until a Benchmark Event has occurred and the Trustee, the Calculation Agent and the Paying Agents have been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and any Benchmark Amendments, in accordance with Condition 5(i)(v).

- (vii) **Definitions:** As used in this Condition 5(i):

“**Adjustment Spread**” means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (b) the Issuer, following consultation with the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Issuer determines that no such spread is customarily applied);

- (c) the Issuer, following consultation with the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines in accordance with Condition 5(i)(ii) is customary in market usage in the international debt capital markets for the purposes of determining resettable rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“Benchmark Amendments” has the meaning given to it in Condition 5(i)(iv).

“Benchmark Event” means:

- (a) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes; or
- (e) the making of an official announcement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (f) it has become unlawful for any Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate,

provided that in the case of sub-paragraphs (b), (c) and (d), the Benchmark Event shall be deemed to occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement. For the avoidance of doubt, none of the Trustee, the Paying Agents or the Calculation Agent will be responsible for determining whether or not a Benchmark Event has occurred.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(i)(i).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Subsequent Reset Rate of Interest (or any component part thereof) on the Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body

6 OPTIONAL INTEREST DEFERRAL

(a) **Deferral of Payments:**

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a “**Deferred Interest Payment**”) which is otherwise scheduled to be paid on an Interest Payment Date by giving notice of such election to the Noteholders in accordance with Condition 18, the Trustee, the Principal Paying Agent and (in the case of Registered Notes) the Registrar and Transfer Agent not more than 14 nor less than 7 Business Days prior to the relevant Interest Payment Date. Subject to Condition 6(b), if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Event of Default or any other breach of its obligations under the Notes or for any other purpose.

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole or in part at any time (the “**Optional Deferred Interest Settlement Date**”) following delivery of a notice to such effect given by the Issuer to the Noteholders in accordance with Condition 18, the Trustee, the Principal Paying Agent and (in the case of Registered Notes) the Registrar and Transfer Agent not more than 14 nor less than 7 Business Days prior to the relevant Optional Deferred Interest Settlement Date informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being “**Arrears of Interest**”), at the Rate of Interest prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 6(b), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Notes or for any other purpose, unless such payment is required in accordance with Condition 6(b).

(b) **Mandatory Settlement:**

Notwithstanding the provisions of Condition 6(a) relating to the ability of the Issuer to defer Interest Payments, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose. The Issuer will deliver notice of the occurrence of a Compulsory Arrears of Interest Settlement Event and the associated Mandatory Settlement Date to the Noteholders in accordance with Condition 18, the Trustee, the Principal Paying Agent, and (in the case of Registered Notes) the Registrar and the Transfer Agent not less than 5 Business Days prior to the relevant Mandatory Settlement Date.

7 REDEMPTION, PURCHASE AND OPTIONS

(a) **No Fixed Redemption Date:**

The Notes are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 4(a)) only have the right to repay them in accordance with the following provisions of this Condition 7.

(b) **Issuer's Call Option:**

If Call Option is specified hereon, the Issuer may, by giving not less than 10 nor more than 60 days' notice (or such other notice period as may be specified hereon) to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the Notes on any Optional Redemption Date specified hereon. Any such redemption of Notes shall be at the Optional Redemption Amount (Issuer Call) (which, unless otherwise specified hereon, shall be their principal amount) together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(c) **Redemption for Taxation Reasons:**

If, immediately prior to the giving of the notice referred to below, a Tax Deductibility Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 9, redeem in accordance with these Conditions at any time all, but not some only, of the Notes at the Early Redemption Amount (Tax) specified hereon, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(d) **Redemption for Rating Reasons:**

If, immediately prior to the giving of the notice referred to below, a Capital Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 9, redeem in accordance with these Conditions all, but not some only, of the Notes at any time at the Early Redemption Amount (Rating) specified hereon, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(e) **Redemption for Accounting Reasons:**

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and specify the date fixed for redemption) and subject to Condition 9, redeem in accordance with these Conditions all, but not some only, of the Notes at any time at the Early Redemption Amount (Accounting) specified hereon, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on the

Accounting Event Adoption Date. For the avoidance of doubt such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

(f) **Clean-Up Call Option:**

If Clean-Up Call is specified hereon and immediately prior to the giving of the notice referred to below, a Clean-Up Call Event has occurred then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 9, redeem in accordance with these Conditions all, but not some only, of the Notes at any time. Any such redemption of the Notes shall be at their Clean-Up Call Optional Redemption Amount (which, unless otherwise specified hereon, shall be their principal amount), together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(g) **Redemption for Change of Control Event:**

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) and subject to Condition 9, redeem in accordance with these Conditions all, but not some only, of the Notes at any time at the Early Redemption Amount (Change of Control) specified hereon, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(h) **Purchases:** The Issuer and any of its Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(i) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

8 SUBSTITUTION OR VARIATION

If an Accounting Event, a Capital Event, a Tax Deductibility Event or a Withholding Tax Event (each a "**Substitution or Variation Event**") has occurred and is continuing, then the Issuer may, subject to Condition 9 (without any requirement for the consent or approval of the Noteholders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of Conditions 8 and 9 have been complied with, and having given not less than 10 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, (in the case of Registered Notes) the Registrar and Transfer Agent, and, in accordance with Condition 18, the Noteholders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Notes for, or (ii) vary the terms of the Notes with the effect that they remain or become (as the case may be), Qualifying Notes, and the Trustee shall (subject to the following provisions of this Condition 8 and subject to the receipt by it of the certificate of the directors of the Issuer referred to in Condition 9 below) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Notes in accordance with this Condition 8, as the case may be.

The Trustee agrees, at the expense of the Issuer, to use reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Notes, provided that the Trustee shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Notes or the participation in or assistance with such substitution or variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to liabilities (against which it has not been indemnified and/or secured and/or prefunded to its satisfaction) or reduce its protections. If the Trustee does not participate or assist as provided above, the Issuer may redeem the Notes as provided in Condition 7.

In connection with any substitution or variation in accordance with this Condition 8, the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not give rise to any other Substitution or Variation Event with respect to the Qualifying Notes.

In these Conditions, “**Qualifying Notes**” means securities that:

- (a) are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of such obligations by the Issuer;
- (b) rank and (save in the case of a direct issue by the Issuer) benefit from a guarantee that ranks in relation to the obligations of the Issuer under such securities and/or such guarantee (as the case may be), equally with the Notes and *pari passu* in a winding-up or liquidation of the Issuer with any Parity Obligations of the Issuer;
- (c) contain terms not materially less favourable to Noteholders than the terms of the Notes (as reasonably determined by the Issuer) and which:
 - a. provide for the same or a more favourable Rate of Interest from time to time as applied to the Notes immediately prior to such substitution or variation and preserve the same Interest Payment Dates;
 - b. preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption;
 - c. preserve any existing rights under these Conditions to any accrued interest, any Deferred Interest Payments, any Arrears of Interest and any other amounts payable under the Notes which, in each case, has accrued to Noteholders and not been paid;
 - d. do not contain terms providing for the mandatory deferral or cancellation of payments of interest and/or principal; and
 - e. do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (d) are (i) listed on the Official List and admitted to trading on the London Stock Exchange plc's Main Market or (ii) admitted to trading on such other stock exchange as is a Recognised Stock Exchange at that time as selected by the Issuer and approved by the Trustee.

For the purposes of the definition of Qualifying Notes:

“**Official List**” means the Official List of the Financial Conduct Authority acting under Part VI of the Financial Services and Markets Act 2000; and

“**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.

9 PRECONDITIONS TO SPECIAL EVENT REDEMPTION, CHANGE OF CONTROL EVENT REDEMPTION, SUBSTITUTION AND VARIATION

Prior to the publication of any notice of redemption pursuant to Condition 7 (other than redemption pursuant to Condition 7(b)) or any notice of substitution or variation pursuant to Condition 8, the Issuer shall deliver to the Trustee a certificate in form and substance satisfactory to the Trustee signed by two directors of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied, and where the relevant Special Event requires measures reasonably available to the Issuer to be taken, the relevant Special Event cannot be avoided by the Issuer taking such measures. In relation to a substitution or variation pursuant to Condition 8, such certificate shall also include further certifications that the criteria specified in paragraphs (a) to (d) of the definition of Qualifying Notes will be satisfied by the Qualifying Notes upon issue and that such determinations were reached by the Issuer. The Trustee may rely absolutely upon and shall be entitled to accept such directors' certificate without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Any redemption of the Notes in accordance with Condition 7(b), 7(c), 7(d), 7(e), 7(f) or 7(g) or any substitution or variation of the Notes in accordance with Condition 8 shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 6 on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption date.

The Trustee is under no obligation to ascertain whether any Special Event or Change of Control Event or any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control Event, has occurred and, until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such Special Event, Change of Control Event or such other event has occurred.

10 PAYMENTS AND TALONS

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 10(f)(iv)) or Coupons (in the case of interest, save as specified in Condition 10(f)(ii)) as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.
- (b) **Registered Notes:**
 - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with

specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretation thereof, or any law implementing an intergovernmental approach thereto, and, save as provided in Condition 11, the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreement. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. If any additional Paying Agents are appointed in connection with the Notes, the names of such Paying Agents will be specified in the applicable Final Terms. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where these Conditions so require, (v) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 10(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Notes, such Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 12).
- (ii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all

unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may reasonably require.

- (iv) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 12).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
 - (i) (in the case of a payment in euro) which is a TARGET Business Day.

11 TAXATION

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as shall result in receipt by the Noteholders and the Couponholders 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 with respect to any Note or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Note or Coupon; or
- (b) **Presentation more than 30 days after the Relevant Date:** presented (or in respect of which the Certificate representing the relevant Note is 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 presenting it for payment on the thirtieth day.

References in these Conditions to principal, premium, Interest Payments, Deferred Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Notwithstanding anything to the contrary contained herein, the Issuer shall be entitled to withhold and deduct any amounts required to be deducted or withheld in respect of payment of principal and/or interest made by it in respect of the Notes and the Coupons 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 law implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”), and neither the Issuer nor any other person shall be required to pay any Additional Amounts in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon 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 presentation of the Note (or relevant Certificate) or Coupon being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “**principal**” and/or “**interest**” shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

12 PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

13 EVENTS OF DEFAULT

- (a) **Proceedings:** If a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest, in each case in respect of the Notes and which is due (an “**Event of Default**”), then the Issuer shall without notice from the Trustee be deemed to be in default under the Trust Deed, the Notes and the Coupons and the Trustee at its sole discretion may, notwithstanding the provisions of Condition 13(b) but subject to Condition 13(c), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up or administration of the Issuer and/or claim in the liquidation or administration of the Issuer, for such payment.

The Trustee in its sole discretion may, notwithstanding the provisions of Condition 13(b) but subject to Condition 13(c), prove in the winding-up or administration of the Issuer and/or claim in the liquidation or administration of the Issuer, such claim being as contemplated in Condition 4(a).

- (a) **Enforcement:** The Trustee may at its discretion (subject to Condition 13(c)) and without further notice institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Trust Deed, the Notes or the Coupons but in no event shall the Issuer, by virtue of the institution of any such proceedings, steps or actions, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (b) **Entitlement of Trustee:** The Trustee shall not be bound to take any of the actions referred to in Condition 13(a) or 13(b) above against the Issuer to enforce the terms of the Trust Deed, the Notes or the Coupons or take any other action or step unless (i) it shall have been so requested by an Extraordinary Resolution of the Noteholders or in writing by the Noteholders of at least one-quarter in nominal amount of the

Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

- (c) **Right of Noteholders:** No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer and/or prove in the winding-up or administration of the Issuer and/or claim in the liquidation or administration of the Issuer unless the Trustee, having become so bound to proceed, institute, prove or claim, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 13.
- (d) **Extent of Noteholder's remedy:** No remedy against the Issuer, other than as referred to in this Condition 13, shall be available to the Trustee (on behalf of the Noteholders or Couponholders) or the Noteholders or Couponholders, 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 of any of its other obligations under or in respect of the Notes, Coupons or under the Trust Deed.

14 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders (including by way of telephone or video conference) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent, in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:
 - (i) to amend the provisions regarding status referred to in Condition 3 or the provisions regarding subordination referred to in Condition 4;
 - (i) to amend the dates of redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes,
 - (ii) to reduce or cancel the nominal amount of or any premium payable on redemption of, the Notes,
 - (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes,
 - (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum,
 - (v) to vary any method of, or basis for, calculating an Early Redemption Amount or an Optional Redemption Amount,
 - (vi) to vary the currency or currencies of payment or denomination of the Notes, or
 - (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution,

in which case the necessary quorum shall be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in nominal amount of the Notes for the time being outstanding.

The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions and/or the Trust Deed required to be made in the circumstances described in Condition 5(i) or those relating to substitution or variation of the Notes pursuant to Condition 8 or any consequential amendments to these Conditions and/or the Trust Deed approved by the Trustee in connection with a substitution of the Issuer.

Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders. The Trust Deed provides that a resolution in writing signed by or on behalf of holders of not less than 90 per cent, of the aggregate nominal amount of Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any of the provisions of the Trust Deed that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders (provided that the Trustee's power to agree such modification shall not extend to any provision entitling Noteholders to institute proceedings for the winding-up of the Issuer which is more extensive than those set out in Condition 13, which for the avoidance of doubt may only be sanctioned by Noteholders by means of an Extraordinary Resolution). In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments in the circumstances and as otherwise set out in Condition 5(i). Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.
- (c) **Substitution:** The Trustee may, without the consent of the Noteholders or Couponholders, agree with the Issuer to the substitution on a subordinated basis equivalent to that referred to in Conditions 3 and 4 in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of any Relevant Subsidiary or any wholly-owned Subsidiary (other than an Excluded Subsidiary) of the Issuer subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (iii) certain other conditions set out in the Trust Deed being complied with. Where the Notes are to have the benefit of a guarantee provided by the Issuer and a Relevant Subsidiary or a wholly-owned Subsidiary as aforesaid, such guarantee shall be on a joint and several basis.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

15 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

16 REPLACEMENT OF NOTES, CERTIFICATES, COUPONS AND TALONS

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

17 FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

18 NOTICES

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

20 DEFINITIONS

For the purposes of these Conditions:

an “**Accounting Event**” shall be deemed to occur if a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that, as a result of a change in accounting

principles (or the application thereof) which have been officially adopted by the International Accounting Standards Board (or any other body responsible for IFRS or any other accounting standards that may replace IFRS) after the Issue Date of the last Tranche of the series of Notes (such date, the “**Accounting Event Adoption Date**”), the Notes may no longer be recorded as "equity" in the audited annual or the semi-annual consolidated financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS; the Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date or any transitional period between the relevant Accounting Event Adoption Date and the date on which such aforementioned change comes into effect.

“**Additional Amounts**” has the meaning given to it in Condition 11.

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

“**Benchmark Frequency**” has the meaning given to it in the applicable Final Terms.

“**Benchmark Gilt**” means, in respect of a Reset Period, such United Kingdom government security customarily used in the pricing of new securities and having an actual or interpolated maturity date on or about the last day of such Reset Period as the Issuer, on the advice of an investment bank or independent financial adviser of international repute, may determine to be appropriate at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in sterling.

“**Benchmark Gilt Rate**” means, in respect of a Reset Period, the percentage rate (rounded, if necessary, to three decimal places, with 0.0005 rounded upwards) determined by the Calculation Agent on the basis of the Gilt Yield Quotations provided (upon request by or on behalf of the Issuer) by the Reset Reference Banks to the Issuer and by the Issuer to the Calculation Agent at approximately 11:00 a.m. (London time) on the Reset Determination Date in respect of such Reset Period. If at least four quotations are provided, the Benchmark Gilt Rate will be the rounded 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). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the Reset Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, an amount specified hereon as the “First Reset Period Fallback”.

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which T2 is open for the settlement of payments in euro (a “**TARGET Business Day**”) and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Broken Amount**” is as specified in the applicable Final Terms.

“**Calculation Amount**” has the meaning given to it in the applicable Final Terms.

a “**Capital Event**” shall be deemed to occur if the Issuer has received, and confirmed in writing to the Trustee that it has so received, confirmation from any Rating Agency of a change in its assessment criteria, including any amendment to, clarification of, or a change in interpretation thereof, which becomes effective on or after

the Issue Date of the last Tranche of the series of Notes (or, if later, effective after the date on which the Notes are assigned “equity credit” by such Rating Agency for the first time) and as a result of which, but not otherwise:

- (i) all or any of the Notes will no longer be eligible (or if the Notes have been partially or fully re-financed since the Issue Date of the last Tranche of the series of Notes and are no longer eligible for “equity credit” from such Rating Agency in part or in full as a result, all or any of the Notes would no longer have been eligible as a result of such change had they not been re-financed) for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as was attributed to the Notes at the Issue Date of the last Tranche of the series of Notes (or if “equity credit” is not assigned to the Notes by the relevant Rating Agency on the Issue Date of the last Tranche of the series of Notes, at the date on which “equity credit” is assigned by such Rating Agency for the first time); or
- (ii) the length of time the Notes are assigned a particular level of “equity credit” by such Rating Agency is shortened as compared to the length of time they were assigned that level of “equity credit” by such Rating Agency under its prevailing methodology on the Issue Date of the last Tranche of the series of Notes (or if “equity credit” is not assigned to the Notes by the relevant Rating Agency on the Issue Date of the last Tranche of the series of Notes, at the date on which “equity credit” is assigned by such Rating Agency for the first time).

a “**Change of Control**” means the occurrence of an event whereby any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in Section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre-existing shareholders of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer.

a “**Change of Control Event**” shall be deemed to occur if:

- (i) a Change of Control occurs; and
- (ii) on the date (the “**Relevant Announcement Date**”) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), any of the Issuer’s senior unsecured obligations (the “**Senior Unsecured Obligations**”) carry:
 - (a) a credit rating from any Rating Agency and there occurs, within the Change of Control Period, a Change of Control Rating Downgrade; or
 - (b) no credit rating and a Change of Control Negative Rating Event occurs within the Change of Control Period,

provided that an event shall be deemed not to be a Change of Control Event if, notwithstanding the occurrence of a Change of Control Rating Downgrade or a Change of Control Negative Rating Event, the rating assigned to the Senior Unsecured Obligations by any Rating Agency is subsequently increased to, or, as the case may be, there is assigned to the Senior Unsecured Obligations an investment grade credit rating (BBB-/Baa3 or their respective equivalents for the time being) or better within the Change of Control Period; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to paragraph (ii)(a) above or not to award a credit rating of at least investment grade as described in paragraph (ii) of the definition of Change of Control Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

For the purposes of the definition of a Change of Control Event:

a “**Change of Control Negative Rating Event**” shall be deemed to have occurred if at such time as there is no rating assigned to the Senior Unsecured Obligations by a Rating Agency (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of any of the Senior Unsecured Obligations from a Rating Agency or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such a rating of at least investment grade (BBB-/Baa3, or their respective equivalents for the time being) from a Rating Agency by the end of the Change of Control Period, provided that in either case, there is at least one Rating Agency in operation at such time from whom to obtain such a rating. If there is no Rating Agency so in operation no Change of Control Negative Rating Event shall be deemed to occur.

“**Change of Control Period**” means the period commencing on the Relevant Announcement Date and ending 90 days after the Change of Control (or such longer period for which any of the Senior Unsecured Obligations are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration).

a “**Change of Control Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control if the then current rating assigned to the Senior Unsecured Obligations by any Rating Agency at the invitation of the Issuer (or where there is no rating from any Rating Agency assigned at the invitation of the Issuer, the then current rating (if any) assigned to the Senior Unsecured Obligations by any Rating Agency of its own volition) is withdrawn or reduced from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or, if the Rating Agency shall then have already rated the Senior Unsecured Obligations below investment grade (as described above), the rating is lowered one full rating category (from BB+/Ba1 to BB/Ba2 or such similar lowering) or more.

“**Change of Control Step-Up Margin**” is as specified in the applicable Final Terms.

a “**Clean-Up Call Event**” means the Clean-Up Call Threshold Percentage specified in the applicable Final Terms or more of the principal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 17 will be deemed to have been originally issued) have been redeemed and/or purchased by the Issuer.

“**Clean-Up Call Optional Redemption Amount**” is as specified in the applicable Final Terms.

“**Clean-Up Call Threshold Percentage**” means the percentage threshold specified in the applicable Final Terms.

a “**Compulsory Arrears of Interest Settlement Event**” shall have occurred if:

- (i) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of (a) ordinary shares of the Issuer, (b) any obligations of the Issuer which rank or are expressed to rank *pari passu* with the ordinary shares of the Issuer or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the ordinary shares of the Issuer, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees’ share schemes of the Issuer or (y) the Issuer is obliged under the terms of such securities to make such dividend, distribution or other payment; or
- (ii) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Obligations, except (x) where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Parity Obligations of the Issuer or (y) for any optional partial payment of deferred interest or arrears of interest (howsoever described) on Parity

Obligations (“**Parity Obligations Arrears of Interest**”), provided that any Arrears of Interest on the Notes and all Parity Obligations Arrears of Interest on Parity Obligations outstanding at such same time are simultaneously paid on a pro rata basis; or

- (iii) the Issuer has redeemed, repurchased or otherwise acquired (a) any ordinary shares of the Issuer, (b) any obligations of the Issuer which rank or are expressed to rank *pari passu* with the ordinary shares of the Issuer or (c) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the ordinary shares of the Issuer, except where (x) such repurchase or acquisition was undertaken in respect of any stock option plans or employees’ share schemes of the Issuer or (y) the Issuer is obliged under the terms of such securities to make such repurchase or acquisition; or
- (iv) the Issuer, or any Subsidiary of the Issuer, has redeemed, repurchased or otherwise acquired any Parity Obligations, except where (x) such redemption, repurchase or acquisition is effected as a public cash tender offer or public exchange offer at a purchase price per security which is below its par value or (y) the Issuer, or any Subsidiary of the Issuer, is obliged under the terms of such securities to make such redemption, repurchase or acquisition.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and **D₁** is greater than 29, in which case **D₂** will be 30

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₁** will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case **D₂** will be 30

- (vii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

- (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Date” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s); and

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“Early Redemption Amount” means Early Redemption Amount (Tax), Early Redemption Amount (Rating), Early Redemption Amount (Accounting) and Early Redemption Amount (Change of Control), as applicable.

“Early Redemption Amount (Accounting)” is as specified in the applicable Final Terms.

“Early Redemption Amount (Change of Control)” is as specified in the applicable Final Terms.

“Early Redemption Amount (Rating)” is as specified in the applicable Final Terms.

“Early Redemption Amount (Tax)” is as specified in the applicable Final Terms.

“EURIBOR” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

“Excluded Subsidiary” means any Subsidiary of the Issuer:

- (i) which is a single purpose company whose principal assets and business are constituted by the ownership, acquisition, development and/or operation of an asset;
- (ii) none of whose Indebtedness For Borrowed Money in respect of the financing of such ownership, acquisition, development and/or operation of an asset is subject to any recourse whatsoever to any member of the Group (other than such Subsidiary or another Excluded Subsidiary) in respect of the repayment thereof, except as expressly referred to in paragraph (ii) of the definition of Project Finance Indebtedness; and
- (iii) which has been designated as such by the Issuer by written notice to the Trustee,

provided that the Issuer may give written notice to the Trustee at any time that any Excluded Subsidiary is no longer an Excluded Subsidiary, whereupon it shall cease to be an Excluded Subsidiary.

“First Margin” means, in respect of the First Reset Period, the margin (expressed as a percentage) specified in the applicable Final Terms as applying to the First Reset Period.

“First Reset Date” means the date specified in the applicable Final Terms.

“First Reset Period” means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date.

“**First Reset Period Fallback**” has the meaning given to it in the applicable Final Terms.

“**First Reset Rate of Interest**” means the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the First Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the First Reset Period (such calculation to be made by the Calculation Agent)).

“**Fixed Coupon Amount**” is as specified in the applicable Final Terms.

“**Gilt Yield Quotations**” means, with respect to a Reset Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reset Reference Bank.

“**Group**” means the Issuer and its Subsidiary Undertakings and “**member of the Group**” shall be construed accordingly.

“**IFRS**” means International Financial Reporting Standards as adopted by the United Kingdom.

“**Indebtedness For Borrowed Money**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.

“**Initial Rate of Interest**” means the initial rate of interest per annum specified hereon.

“**Interest Amount**” means:

- (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of the period from (and including) the Interest Commencement Date until (but excluding) the First Reset Date, unless the Initial Rate of Interest has been increased in accordance with Condition 5(h) or unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the relevant Interest Period; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon.

“**Interest Payment**” means, in respect of an interest payment on an Interest Payment Date, the amount of interest which is (or would but for deferral in accordance with these Conditions, be) due and payable on such Interest Payment Date in accordance with Condition 5.

“**Interest Payment Date(s)**” means the date(s) specified in the applicable Final Terms.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Issue Date**” is as specified in the applicable Final Terms.

“**Mandatory Settlement Date**” means the earlier of:

- (i) the date which is 10 Business Days following the occurrence of a Compulsory Arrears of Interest Settlement Event;
- (ii) the next scheduled Interest Payment Date on which interest on the Notes is paid; or

(iii) the date on which the Notes are redeemed or repaid in accordance with Condition 4, Condition 7 or Condition 13.

“Mid-Swap Quotations” means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Reset Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a Floating Leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified hereon.

“Mid-Swap Rate” means in respect of a Reset Period, (i) the applicable semi-annual or annual (as specified hereon) mid-swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Reset Period specified hereon) as displayed on the Mid-Swap Screen Page at 11.00 a.m. (in the principal financial centre of the Specified Currency) on the relevant Reset Determination Date or (ii) if such rate is not displayed on the Mid-Swap Screen Page at such time and date, the relevant Reset Reference Bank Rate.

“Mid-Swap Screen Page” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Mid-Swap Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the Mid-Swap Rate.

“Optional Redemption Amount” means Clean-Up Call Optional Redemption Amount and Optional Redemption Amount (Issuer Call), as applicable.

“Optional Redemption Amount (Issuer Call)” is as specified in the applicable Final Terms.

“Parity Obligations” means (if any) (i) the most junior class of preference share capital in the Issuer and any other obligations of the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Notes or such preference shares and (ii) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Notes or such preference shares.

The Parity Obligations as at the time of issuance will be specified in Part B of the applicable Final Terms as “Parity Obligations”.

“Project Finance Indebtedness” means any present or future indebtedness incurred to finance the ownership, acquisition, development and/or operation of an asset, whether or not an asset of a member of the Group:

- (i) which is incurred by an Excluded Subsidiary; or
- (ii) in respect of which the person or persons to whom any such indebtedness is or may be owed by the relevant borrower (whether or not a member of the Group) has or have no recourse whatsoever to any member of the Group (other than an Excluded Subsidiary) for the repayment thereof other than:
 - (A) recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset; and/or
 - (B) recourse for the purpose only of enabling amounts to be claimed in respect of such indebtedness in an enforcement of any encumbrance given by such borrower over such asset or the income, cash flow or other proceeds deriving therefrom (or given by any shareholder or the like in the borrower over its shares or the like in the capital of the borrower) to secure such indebtedness, provided that (aa) the extent of such recourse is limited solely to the amount of any recoveries made on any such enforcement and (bb) such person or persons is/are not entitled, by virtue of any right or claim arising out of or in connection with such indebtedness, to commence

proceedings for the winding up or dissolution of any member of the Group (other than an Excluded Subsidiary) or to appoint or procure the appointment of any receiver, trustee or similar person or officer in respect of any member of the Group (other than an Excluded Subsidiary) or any of its assets (save for the assets the subject of such encumbrance); and/or

- (C) recourse under any form of assurance, undertaking or support, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specified way) for breach of an obligation (not being a payment obligation or an obligation to procure payment by another or an indemnity in respect thereof or any obligation to comply or to procure compliance by another with any financial ratios or other tests of financial condition) by any member of the Group (other than an Excluded Subsidiary).

“**Qualifying Notes**” has the meaning given to it in Condition 8.

References to the Notes being “**rated**” are to the Notes having a rating from a Rating Agency.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions hereon.

“**Rating Agency**” means Moody’s Investors Service, Inc. or any of its Subsidiaries and their successors (“**Moody’s**”), S&P Global Ratings or any of its Subsidiaries and their successors (“**S&P**”) or Fitch Ratings, Inc or any of its Subsidiaries and their successors (“**Fitch**”) or any rating agency substituted for any of them (or any permitted substitute of them) by the Issuer from time to time with the prior written approval of the Trustee (such approval not to be unreasonably withheld or delayed having regard to the interests of Noteholders).

“**Relevant Potential Change of Control Announcement**” means any public announcement or statement by the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

“**Relevant Subsidiary**” means a wholly-owned Subsidiary of the Issuer or of another Relevant Subsidiary which is a guarantor in respect of, or is a primary obligor under, the Notes as contemplated in Condition 14(c).

“**Relevant Taxing Jurisdiction**” means the United Kingdom or (if different) any jurisdiction in which the Issuer is resident for tax purposes at the time of payment, and any political subdivision or taxing authority thereof or therein having power to tax.

“**Reporting Accountants**” means the auditors for the time being of the Issuer (but not acting in their capacity as auditors) or such other firm of accountants as may be nominated by the Issuer and approved in writing by the Trustee for the purpose (such approval not to be unreasonably withheld or delayed having regard to the interests of the Noteholders) or, failing which, as may be selected by the Trustee for the purpose.

“**Reset Date**” means the First Reset Date and/or each Subsequent Reset Date, as the case may be.

“**Reset Determination Date**” means, in respect of a Reset Period, (a) each date specified as such hereon or, if none is so specified, (b) (i) if the Specified Currency is sterling, the first Business Day of such Reset Period or (ii) if the Specified Currency is euro, the day falling two TARGET Business Days prior to the first day of such Reset Period.

“**Reset Period**” means the First Reset Period or a Subsequent Reset Period.

“**Reset Rate**” means (a) if “**Mid-Swap Rate**” is specified hereon, the relevant Mid-Swap Rate or (b) if “**Benchmark Gilt Rate**” is specified hereon, the relevant Benchmark Gilt Rate.

“**Reset Reference Bank Rate**” means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at the request of the Issuer at or around 11:00 a.m. in the principal financial centre of the Specified Currency on the relevant Reset Determination Date and

rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded 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). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the relevant Mid-Swap Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, the percentage rate specified hereon as the “First Reset Period Fallback”.

“**Reset Reference Banks**” means (i) in the case of the calculation of a Reset Reference Bank Rate where “Mid-Swap Rate” is specified hereon, five leading swap dealers in the principal interbank market relating to the Specified Currency or (ii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers, in each case, as selected by the Issuer.

“**Senior Obligations**” means all obligations of the Issuer, issued directly or indirectly by it, other than Parity Obligations and the ordinary share capital of the Issuer.

“**Special Event**” means any of an Accounting Event, a Capital Event, a Clean-Up Call Event, a Tax Deductibility Event or a Withholding Tax Event or any combination of the foregoing.

“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“**Subsequent Margin**” means, in respect of a Subsequent Reset Period, the relevant margin (expressed as a percentage) specified in the applicable Final Terms as applying to such Subsequent Reset Period.

“**Subsequent Reset Date**” means the date or dates specified in the applicable Final Terms.

“**Subsequent Reset Period**” means the period from (and including) the first Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date.

“**Subsequent Reset Rate of Interest**” means, in respect of any Subsequent Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate plus the relevant Subsequent Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent)).

“**Subsidiary**” means a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

“**Subsidiary Undertaking**” shall have the meaning given to it by Section 1162 of the Companies Act 2006 (but, in relation to the Issuer, shall exclude any undertaking (as defined in Section 1161 of the Companies Act 2006) whose accounts are not included in the then latest published audited consolidated accounts of the Issuer, or (in the case of an undertaking which has first become a subsidiary undertaking of a member of the Group since the date as at which any such audited accounts were prepared) would not have been so included or consolidated if it had become so on or before that date).

a “**Tax Deductibility Event**” shall be deemed to have occurred if as a result of a Tax Law Change:

- (i) in respect of, or as a result of, the Issuer’s obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not be entitled to claim a deduction in computing its taxation liabilities in the Relevant Taxing Jurisdiction or such entitlement is materially reduced or materially delayed (a disallowance);

- (ii) the Notes are prevented from being treated as loan relationships for tax purposes in the Relevant Taxing Jurisdiction; or
- (iii) in respect of the Issuer's obligation to make any Interest Payment on the next following Interest Payment Date, where a deduction arises in respect of such Interest Payment the Issuer would not to any material extent be entitled to have such deduction set against the profits of companies with which it is grouped for applicable tax purposes in the Relevant Taxing Jurisdiction (whether under the group relief system current as at the Issue Date of the last Tranche of the series of Notes or any similar system or systems having like effect as may from time to time exist) otherwise than as a result of a disallowance within (i),

and, in each case, the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it, provided measures reasonably available to the Issuer shall not include allocating a disallowance provided for in (i) above to any other company or security.

"Tax Law Change" means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the Relevant Taxing Jurisdiction, including any treaty to which the Relevant Taxing Jurisdiction is a party, or any change in the application of official or generally published interpretation of such laws or regulations, 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 or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after the Issue Date of the last Tranche of the Notes.

"T2" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"wholly-owned Subsidiary" means a 100 per cent. owned Subsidiary of the Issuer.

a **"Withholding Tax Event"** shall be deemed to occur if as a result of a Tax Law Change, in making any payments on the Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Notes and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it.

Any reference to an obligation being guaranteed shall include a reference to an indemnity being given in respect of such obligation.

21 GOVERNING LAW

(a) **Governing law**

The Trust Deed, the Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save for the provisions contained in Conditions 3 and 4 which shall be governed by the laws of Scotland.

(b) **Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed or the Notes other than Condition 3 and 4 ("**Excluded Matters**"), in respect of which the courts of Scotland shall have jurisdiction) and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or any Notes (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England in respect of any such Proceedings (other than in respect of Excluded Matters) and to the jurisdiction of the courts of Scotland in respect of any Proceedings relating to Excluded Matters.

Schedule 2
Part E
Form of Coupon

On the front:

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

EURO MEDIUM TERM NOTE PROGRAMME

Series No. [●]

[Title of issue]

Coupon for [[set out amount due, if known]/the amount] due on [the Interest Payment Date falling in]* [●],[●].

[Coupon relating to Note in the nominal amount of [●]]**

This Coupon is payable to bearer (subject to the Conditions endorsed on the Note to which this Coupon relates, which shall be binding upon the holder of this Coupon whether or not it is for the time being attached to such Note) at the specified offices of the Issuing and Paying Agent and the Paying Agents set out on the reverse hereof (or any other Issuing and Paying Agent or further or other Paying Agents or specified offices duly appointed or nominated and notified to the Noteholders).

[If the Note to which this Coupon relates shall have become due and payable before the maturity date of this Coupon, this Coupon shall become void and no payment shall be made in respect of it.]***

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

[Cp. No.]	[Denomination]	[ISIN]	[Series]	[Certif. No.]
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* Delete as applicable

On the back:

ISSUING AND PAYING AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

PAYING AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

[*Only necessary where Interest Payment Dates are subject to adjustment in accordance with a Business Day Convention otherwise the particular Interest Payment Date should be specified.]

[**Only required for Coupons relating to Floating Rate, RPI Linked Interest Notes or Reset Rate Notes that are issued in more than one denomination.]

[***Delete if Coupons are not to become void upon early redemption of Note.]

Schedule 2
Part F
Form of Talon

On the front:

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

EURO MEDIUM TERM NOTE PROGRAMME

Series No. [●]

[Title of issue]

Talon for further Coupons falling due on [the Interest Payment Dates falling in]*[●][●].

[Talon relating to Note in the nominal amount of [●]]**

After all the Coupons relating to the Note to which this Talon relates have matured, further Coupons (including if appropriate a Talon for further Coupons) shall be issued at the specified office of the Issuing and Paying Agent set out on the reverse hereof (or any other Issuing and Paying Agent or specified office duly appointed or nominated and notified to the Noteholders) upon production and surrender of this Talon.

If the Note to which this Talon relates shall have become due and payable before the original due date for exchange of this Talon, this Talon shall become void and no exchange shall be made in respect of it.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

[SSE PLC/SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC/SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC/SOUTHERN ELECTRIC POWER DISTRIBUTION PLC]*

By:

[Talon No.]

[ISIN]

[Series]

[Certif. No.]

* Delete as applicable

On the back:

ISSUING AND PAYING AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

PAYING AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

[* The maturity dates of the relevant Coupons should be set out if known, otherwise reference should be made to the months and years in which the Interest Payment Dates fall due.]

[** Only required where the Series comprises Notes of more than one denomination.]

Schedule 3

Provisions for Meetings of Noteholders

Interpretation

- 1** In this Schedule:
- 1.1** references to a meeting are to a physical meeting, a virtual meeting or a hybrid meeting of Noteholders of a single series of Notes and include, unless the context otherwise requires, any adjournment
- 1.2** references to “**Notes**” and “**Noteholders**” are only to the Notes of the Series in respect of which a meeting has been, or is to be, called, and to the holders of these Notes, respectively
- 1.3** “**agent**” means a holder of a voting certificate or a proxy for, or representative of, a Noteholder
- 1.4** “**Alternative Clearing System**” means any clearing system (including without limitation The Depository Trust Company (“**DTC**”)) other than Euroclear or Clearstream, Luxembourg
- 1.5** “**block voting instruction**” means an instruction issued in accordance with paragraphs 9 to 15
- 1.6** “**Electronic Consent**” has the meaning set out in paragraph 30.1
- 1.7** “**electronic platform**” means any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems
- 1.8** “**Extraordinary Resolution**” means a resolution passed at (a) a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent. of the votes cast (b) by a Written Resolution or (c) by an Electronic Consent
- 1.9** “**hybrid meeting**” means a combined physical meeting and virtual meeting convened pursuant to this Schedule by the Issuer or the Trustee at which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform
- 1.10** “**meeting**” means a meeting convened pursuant to this Schedule by the Issuer or the Trustee and whether held as a physical meeting or as a virtual meeting or as a hybrid meeting
- 1.11** “**physical meeting**” means any meeting attended by persons present in person at the physical location specified in the notice of such meeting
- 1.12** “**present**” means physically present in person at a physical meeting or a hybrid meeting, or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform
- 1.13** “**virtual meeting**” means any meeting held via an electronic platform
- 1.14** “**voting certificate**” means a certificate issued in accordance with paragraphs 6 to 8
- 1.15** “**Written Resolution**” means a resolution in writing signed by the holders of not less than 90 per cent in nominal amount of the Notes outstanding
- 1.16** references to persons representing a proportion of the Notes are to Noteholders or agents holding or representing in the aggregate at least that proportion in nominal amount of the Notes for the time being outstanding and

- 1.17 where Notes are held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, references herein to the deposit or release or surrender of Notes shall be construed in accordance with the usual practices (including in relation to the blocking of the relevant account) of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System.

Powers of meetings

2 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by this Trust Deed, have power by Extraordinary Resolution:

- 2.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders and/or the Couponholders against the Issuer, whether or not those rights arise under this Trust Deed
- 2.2 to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other entity
- 2.3 to assent to any modification of this Trust Deed, the Notes, the Talons or the Coupons proposed by the Issuer or the Trustee
- 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution
- 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution
- 2.6 to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution
- 2.7 to approve a proposed new Trustee and to remove a Trustee
- 2.8 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under this Trust Deed and
- 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under this Trust Deed, the Notes, the Talons or the Coupons

provided that the special quorum provisions in paragraph 20 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 2.2 or 2.8, any of the proposals listed in Condition 12(a) of the Conditions of the Senior Notes or Condition 14(a) of the Conditions of the Subordinated Notes, as applicable, or any amendment to this proviso.

Convening a meeting

- 3 The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Noteholders holding at least 10 per cent in nominal amount of the Notes of any Series for the time being outstanding and is indemnified and/or secured and/or prefunded to its satisfaction against all costs and expenses, the Trustee shall convene a meeting of the Noteholders of that Series. Every physical meeting shall be held at a time and place approved by the Trustee. Every virtual meeting shall be held via an electronic platform and at a time approved by the Trustee. Every hybrid meeting shall be held at a time and place and via an electronic platform approved by the Trustee.

- 4 At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Noteholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day and time of the meeting and manner in which it is to be held, and if a physical meeting or hybrid meeting is to be held, the place of the meeting and, unless the Trustee otherwise agrees, the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives, obtain voting certificates and use block voting instructions and the details of the time limits applicable. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as are required under paragraph 35.

Cancellation of meeting

- 5 A meeting that has been validly convened in accordance with paragraph 3 above, may be cancelled by the person who convened such meeting by giving at least five days' notice (exclusive of the day on which the notice is given and of the day of the meeting) to the Noteholders (with a copy to the Trustee where such meeting was convened by the Issuer or to the Issuer where such meeting was convened by the Trustee). Any meeting cancelled in accordance with this paragraph 5 shall be deemed not to have been convened.

Arrangements for voting on Bearer Notes (whether in definitive form or represented by a Global Note and whether held within or outside a Clearing System) – Voting Certificates

- 6 If a holder of a Bearer Note wishes to obtain a voting certificate in respect of it for a meeting, he must deposit such Bearer Note for that purpose at least 48 hours before the time fixed for the meeting with a Paying Agent or to the order of a Paying Agent with a bank or other depositary nominated by the Paying Agent for the purpose. The Paying Agent shall then issue a voting certificate in respect of it.

- 7 A voting certificate shall:

7.1 be a document in the English language

7.2 be dated

7.3 specify the meeting concerned and (if applicable) the serial numbers of the Notes deposited

7.4 entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those Notes and

7.5 specify details of evidence of the identity of the bearer of such voting certificate.

- 8 Once a Paying Agent has issued a voting certificate for a meeting in respect of a Note, it shall not release the Note until either:

8.1 the meeting has been concluded or

8.2 the voting certificate has been surrendered to the Paying Agent.

Arrangements for voting on Bearer Notes (whether in definitive form or represented by a Global Note and whether held within or outside a Clearing System) – Block Voting Instructions

- 9 If a holder of a Bearer Note wishes the votes attributable to it to be included in a block voting instruction for a meeting, then, at least 48 hours before the time fixed for the meeting, (i) the holder must deposit the Note for that purpose with a Paying Agent or to the order of a Paying Agent with a bank or other depositary nominated by the Paying Agent for the purpose and

(ii) the holder or a duly authorised person on their behalf must direct the Paying Agent how those votes are to be cast. The Paying Agent shall issue a block voting instruction in respect of the votes attributable to all Notes so deposited.

- 10** A block voting instruction shall:
- 10.1** be a document in the English language
 - 10.2** be dated
 - 10.3** specify the meeting concerned
 - 10.4** list the total number and serial numbers (if applicable) of the Notes deposited, distinguishing with regard to each resolution between those voting for and those voting against it
 - 10.5** certify that such list is in accordance with Notes deposited and directions received as provided in paragraphs 9, 12 and 15 and
 - 10.6** appoint one or more named persons (each a “**proxy**”) to vote at that meeting in respect of those Notes and in accordance with that list.
- A proxy need not be a Noteholder.
- 11** Once a Paying Agent has issued a block voting instruction for a meeting in respect of the votes attributable to any Notes:
- 11.1** it shall not release the Notes, except as provided in paragraph 12, until the meeting has been concluded and
 - 11.2** the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the meeting.
- 12** If the receipt for a Note deposited with a Paying Agent in accordance with paragraph 9 is surrendered to the Paying Agent at least 48 hours before the time fixed for the meeting, the Paying Agent shall release the Note and exclude the votes attributable to it from the block voting instruction.
- 13** Each block voting instruction shall be deposited at least 24 hours before the time fixed for the meeting at such place or delivered by another method as the Trustee shall designate or approve, and in default the block voting instruction shall not be valid unless the chairperson of the meeting decides otherwise before the meeting proceeds to business. If the Trustee requires, a certified copy of each block voting instruction shall be produced by the proxy at the meeting or delivered to the Trustee prior to the meeting but the Trustee need not investigate or be concerned with the validity of the proxy’s appointment.
- 14** A vote cast in accordance with a block voting instruction shall be valid even if it or any of the Noteholders’ instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the relevant Paying Agent by the Issuer or the Trustee at its registered office or by the chairperson of the meeting in each case at least 24 hours before the time fixed for the meeting.
- 15** No Note may be deposited with or to the order of a Paying Agent at the same time for the purposes of both paragraph 5 and paragraph 8 for the same meeting.

Arrangements for voting on Registered Notes (whether in definitive form or represented by a Global Certificate and whether held within or outside a Clearing System) – Appointment of Proxy or Representative

- 16** A proxy or representative may be appointed in the following circumstances:
- 16.1** *Proxy:* A holder of a Registered Note may, by an instrument in writing in the English language (a “**form of proxy**”) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint one or more persons (each a “**proxy**”) to act on his behalf in connection with that meeting and any adjourned meeting.
- 16.2** *Representative:* Any holder of a Registered Note may by delivering to a Transfer Agent not later than 48 hours before the time fixed for a meeting a resolution of its directors or other governing body authorise any person to act as its representative (a “**representative**”) in connection with any meeting and any adjourned such meeting.
- 16.3** *Other Proxies:* If the holder of a Note is an Alternative Clearing System or a nominee of an Alternative Clearing System and the rules or procedures of such Alternative Clearing System so require, such nominee or Alternative Clearing System may appoint proxies in accordance with, and in the form used, by such Alternative Clearing System as part of its usual procedures from time to time in relation to meetings of Noteholders. Any proxy so appointed may, by an instrument in writing in the English language in the form available from the specified office of the Registrar or the Issuing and Paying Agent, or in such other form as may have been approved by the Trustee at least seven days before the date fixed for a meeting, signed by the proxy or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the Registrar or the Issuing and Paying Agent not later than 48 hours before the time fixed for any meeting, appoint any person or the Principal Paying Agent or any employee(s) of it nominated by it (the “**sub-proxy**”) to act on his or its behalf in connection with any meeting or proposed meeting of Noteholders. All references to “proxy” or “proxies” in this Schedule other than in this sub-paragraph 16.3 shall be read so as to include references to “sub-proxy” or “sub-proxies”.
- 16.4** *Record Date:* For so long as the Notes are eligible for settlement through an Alternative Clearing System’s book-entry settlement system and the rules or procedures of such Alternative Clearing System so require, the Issuer may fix a record date for the purpose of any meeting, provided such record date is no more than 10 days prior to the date fixed for such meeting which shall be specified in the notice convening the meeting.
- 16.5** Any proxy or sub-proxy appointed pursuant to sub-paragraph 16.1, 16.3 or 16.5 above or representative appointed pursuant to sub-paragraph 16.2 above shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Noteholders, to be the holder of the Notes to which such appointment relates and the holder of the Notes shall be deemed for such purposes not to be the holder or owner, respectively.

Chairperson

- 17** The chairperson of a meeting shall be such person as the Trustee may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Noteholders or agents present shall choose one of

their number to be chairperson, failing which the Issuer may appoint a chairperson. The chairperson need not be a Noteholder or agent. The chairperson of an adjourned meeting need not be the same person as the chairperson of the original meeting.

Attendance

- 18** The following may attend, participate and speak at a meeting:
 - 18.1** Noteholders, any proxies and agents
 - 18.2** the chairperson
 - 18.3** the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers
 - 18.4** the Dealers and their advisers.

No-one else may attend, participate and/or speak.

Quorum and Adjournment

- 19** No business (except choosing a chairperson) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders or if the Issuer and the Trustee agree, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place or manner in which it is to be held as the chairperson may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.
- 20** Two or more Noteholders or agents present at the meeting shall be a quorum:
 - 20.1** in the cases marked “No minimum proportion” in the table below, whatever the proportion of the Notes which they represent
 - 20.2** in any other case, only if they represent the proportion of the Notes shown by the table below.

COLUMN 1	COLUMN 2	COLUMN 3
Purpose of meeting	Any meeting except one referred to in column 3 <hr/> Required proportion	Meeting previously adjourned through want of a quorum <hr/> Required proportion
To pass a special quorum resolution	two thirds	one third
To pass any other Extraordinary Resolution	A clear majority	No minimum proportion
Any other purpose	10 per cent.	No minimum proportion

- 21** The chairperson may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place and alternate manner. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 18.

- 22** At least 10 days' notice (exclusive of the day on which the notice is given and of the day of the adjourned meeting) of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

Voting

- 23** At a meeting which is held only as a physical meeting, each question submitted to such meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairperson, the Issuer, the Trustee or one or more persons representing not less than 2 per cent of the Notes.
- 24** Unless a poll is demanded a declaration by the chairperson that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
- 25** If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairperson directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 26** A poll demanded on the election of a chairperson or on a question of adjournment shall be taken at once.
- 27** On a show of hands every person who is present in person and who produces a Bearer Note, a Certificate of which he is the registered holder or a voting certificate or is a proxy or representative has one vote. On a poll every such person has one vote in respect of each integral currency unit of the Specified Currency of such Series of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
- 28** In case of equality of votes the chairperson shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.
- 29** At a virtual meeting or a hybrid meeting, a resolution put to the vote of the meeting shall be decided on a poll in accordance with paragraph 37, and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

Written Resolution and Electronic Consent

- 30** Subject to the following sentence, a Written Resolution may be contained in one document or several documents in like form, each signed by or on behalf of one or more of the Noteholders.

For so long as the Notes are in the form of a Global Note held on behalf of, or a Global Certificate registered in the name of any nominee for, one or more of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, then, in respect of any resolution proposed by the Issuer or the Trustee:

- 30.1** *Electronic Consent:* where the terms of the resolution proposed by the Issuer or the Trustee (as the case may be) have been notified to the Noteholders through the relevant clearing system(s) as provided in sub-paragraphs (i) and/or (ii) below, each of the Issuer and the

Trustee shall be entitled to rely upon approval of such resolution 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 90 per cent. in nominal amount of the Notes outstanding (the “**Required Proportion**”) (“**Electronic Consent**”) by close of business on the Relevant Date. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. None of the Issuer or the Trustee shall be liable or responsible to anyone for such reliance;

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 10 days’ notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Noteholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Noteholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the “**Relevant Date**”) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution (the “**Proposer**”) so determines, be deemed to be defeated. Such determination shall be notified in writing to the other party or parties to the Trust Deed. Alternatively, the Proposer may give a further notice to Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee (unless the Trustee is the Proposer). Such notice must inform Noteholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph (i) above. For the purpose of such further notice, references to “Relevant Date” shall be construed accordingly.
- (iii) For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer or the Trustee which is not then the subject of a meeting that has been validly convened in accordance with paragraph 3 above, unless that meeting is or shall be cancelled or dissolved; and

30.2 *Written Resolution:* where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, (a) by accountholders in the clearing systems with entitlements to such Global Note or Global Certificate and/or (b), where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purposes of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxemburg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the

relevant consent or instruction proves to be defective. 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 EUCLID or Clearstream, Luxembourg's Creation Online 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.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons and Talons, whether or not they participated in such Written Resolution and/or Electronic Consent.

Effect and Publication of an Extraordinary Resolution

- 31** An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and on all the Couponholders and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Noteholders within 14 days but failure to do so shall not invalidate the resolution.

Minutes

- 32** Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairperson of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Trustee's Power to Prescribe Regulations

- 33** Subject to all other provisions in this Trust Deed the Trustee may without the consent of the Noteholders (i) agree with the Issuer in prescribing further regulations regarding the holding of meetings and attendance and voting at them or (ii) prescribe such further regulations regarding the holding of meetings and attendance and voting at them as if, in either case, the Trustee is of the opinion that such regulations are not materially prejudicial to the interests of the Noteholders. Such regulations may include (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with this Trust Deed are entitled to do so and as to the form of voting certificates or block voting instructions so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so and/or to facilitate the holding of a virtual meeting or a hybrid meeting.
- 34** The foregoing provisions of this Schedule shall have effect subject to the following provisions:
- 34.1** Meetings of Noteholders of separate Series will normally be held separately. However, the Trustee may from time to time determine that meetings of Noteholders of separate Series shall be held together

- 34.2** A resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of the Series concerned
- 34.3** A resolution that in the opinion of the Trustee affects the Noteholders of more than one Series but does not give rise to a conflict of interest between the Noteholders of the different Series concerned shall be deemed to have been duly passed if passed at a single meeting of the Noteholders of the relevant Series provided that for the purposes of determining the votes a Noteholder is entitled to cast pursuant to paragraph 27, each Noteholder shall have one vote in respect of each €1,000 nominal amount of Notes held, converted, if such Notes are not denominated in euro, in accordance with sub-Clause 10.18
- 34.4** A resolution that in the opinion of the Trustee affects the Noteholders of more than one Series and gives or may give rise to a conflict of interest between the Noteholders of the different Series concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Noteholders of the relevant Series and
- 34.5** To all such meetings as aforesaid all the provisions of this Schedule shall *mutatis mutandis* apply as though references therein to Notes and to Noteholders were references to the Notes and Noteholders of the Series concerned.

Additional provisions applicable to Virtual and/or Hybrid Meetings

- 35** Without prejudice to paragraph 18, the Issuer (with the Trustee's prior approval) or the Trustee in its sole discretion may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall provide details of the means for Noteholders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.
- 36** The Issuer or the chairperson (in each case, with the Trustee's prior approval) or the Trustee in its sole discretion may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform (in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Trustee may approve).
- 37** All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraphs 25-28 above (inclusive).
- 38** Persons seeking to attend, participate in, speak or join a virtual meeting or a hybrid meeting via the electronic platform, shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.
- 39** In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any two or more members attending it are in the same physical location as each other or how they are able to communicate with each other.

- 40** Two or more persons who are not in the same physical location as each other attend a virtual meeting or a hybrid meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting, they are (or would be) able to exercise them.
- 41** The chairperson of the meeting reserves the right to take such steps as the chairperson shall determine in its absolute discretion to avoid or minimise disruption at the meeting, which steps may include (without limitation), in the case of a virtual meeting or a hybrid meeting, muting the electronic connection to the meeting of the person causing such disruption for such period of time as the chairperson may determine.
- 42** The Issuer (in each case with the Trustee's prior approval) or the Trustee in its sole discretion may make whatever arrangements they consider appropriate to enable those attending a virtual meeting or a hybrid meeting to exercise their rights to speak or vote at it.
- 43** A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.
- 44** A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:
- 44.1** that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
 - 44.2** that person's vote can be taken into account in determining whether or not such resolutions are passed contemporaneously with the votes of all the other persons attending the meeting who are entitled to vote at such meeting.
- 45** The Trustee shall not be responsible or liable to the Issuer or any other person for the security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting.

This Trust Deed is delivered on the date stated at the beginning.

SSE PLC as an Issuer

By its attorney: George Duncan

Signature: _____

Name: GEORGE DUNCAN

In the presence of:

Signature of witness:

Name: ANDREW BINNIE

Address:

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC as an Issuer

By its attorney George Duncan

Signature: _____

Name: GEORGE DUNCAN

In the presence of:

Signature of witness:

Name: ANDREW BINNIE

Address:

SCOTTISH HYDRO ELECTRIC TRANSMISSION PLC as an Issuer

By its attorney: George Duncan

Signature: _____

Name: GEORGE DUNCAN

In the presence of:

Signature of witness:

Name: ANDREW BINNIE

Address:

SOUTHERN ELECTRIC POWER DISTRIBUTION PLC as an Issuer

By its attorney: George Duncan

Signature: _____

Name: GEORGE DUNCAN

In the presence of:

Signature of witness:

Name: ANDREW BINNIE

Address:

EXECUTED AS A DEED BY

BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED acting by two authorised signatories in the presence of a witness:

Nathan Hodd
Authorised Signatory

Nathan Hodd
Authorised Signatory

Anett Emberg
Authorised Signatory

Anett Emberg
Authorised Signatory

Signature of Witness:

Name:

Address:

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160 Queen Victoria Street
London EC4V 4LA