

SCHEDULE 1

Non-cumulative Euro Preference Shares

1. The Non-cumulative Euro Preference Shares are New Preference Shares. They shall rank after the Cumulative Preference Shares to the extent specified in Article 4 and this Schedule 1, and shall rank *pari passu inter se* and (save as aforesaid) with the Cumulative Preference Shares and with all other New Preference Shares. They shall confer the rights and be subject to the restrictions set out in this Schedule 1 and shall also confer such further rights as may be attached by the Directors to such shares in accordance with this Schedule 1 prior to allotment. Whenever the Directors have power under this Schedule 1 to determine any of the rights attached to any of the Non-cumulative Euro Preference Shares, the rights so determined need not be the same as those attached to the Non-cumulative Euro Preference Shares then allotted or in issue. The Non-cumulative Euro Preference Shares may be issued in one or more separate series, and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these presents.
2. Each Non-cumulative Euro Preference Share shall confer the following rights as to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings and redemption:-

2.1 *Income*

The right (subject to the provisions of paragraph 2.2, if applicable) to a non-cumulative preferential dividend not exceeding a specified amount payable in Euro at such rate on such dates (each a “dividend payment date”) in respect of such periods (each a “dividend period”) and on such other terms and conditions as may be determined by the Directors prior to allotment thereof. References in these presents to a “dividend” on the Non-cumulative Euro Preference Shares include a reference to each dividend in respect of each dividend period applicable thereto and references in this Schedule 1 to dividend payment dates and dividend periods are to dividend payment dates and dividend periods in respect of the Non-cumulative Euro Preference Shares only. Such dividends shall be paid in priority to the payment of any dividends on the Ordinary Shares. The Non-cumulative Euro Preference Shares shall rank for dividend after the Cumulative Preference Shares, *pari passu* with the Non-cumulative Sterling Preference Shares, the Non-cumulative Dollar Preference Shares, the Category II Non-cumulative Dollar Preference Shares and all other New Preference Shares expressed to rank *pari passu* therewith as regards participation in profits and otherwise in priority to any other share capital in the Company.

2.2 *Further provisions as to income*

All or any of the following provisions shall apply in relation to any particular Non-cumulative Euro Preference Shares if so determined by the Directors prior to allotment thereof:—

- (i) if, in the opinion of the Directors, the distributable profits of the Company are sufficient to cover the payment in full of dividends on the Non-cumulative Euro Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on such date on any Cumulative Preference Share, then each such dividend shall be declared and paid in full;

- (ii) if, in the opinion of the Directors, the distributable profits of the Company are insufficient to cover the payment in full of dividends on the Non-cumulative Euro Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on or before such date on any Cumulative Preference Share, then dividends shall be declared by the Directors *pro rata* for the Non-cumulative Euro Preference Shares and such other New Preference Shares to the extent of the available distributable profits (if any) to the intent that the amount of dividend declared per share on each such Non-cumulative Euro Preference Share and other New Preference Share will bear to each other the same ratio as the dividends accrued per share on each such Non-cumulative Euro Preference Share and other New Preference Share bear to each other. If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (iii) if in the opinion of the Directors, the payment of any dividend on any Non-cumulative Euro Preference Shares would breach or cause a breach of the capital adequacy requirements of the Financial Services Authority (or any person or body to whom the banking supervision functions of the Financial Services Authority are transferred) applicable to the Company and/or any of its subsidiaries, then none of such dividend shall be declared or paid;
- (iv) subject to sub-paragraph (v) below, the Non-cumulative Euro Preference Shares shall carry no further right to participate in the profits of the Company and if and to the extent that any dividend or part thereof is on any occasion not paid for the reasons described in sub-paragraph (ii) or (iii) above, the holders of such shares shall have no claim in respect of such non-payment;
- (v) if any dividend or part thereof on any Non-cumulative Euro Preference Share is not payable for the reasons specified in sub-paragraphs (ii) or (iii) above and if they so resolve, the Directors may, subject to the Statutes, pay a special non-cumulative preferential dividend on the Non-cumulative Euro Preference Shares at a rate not exceeding €0.01 per share (but so that reference elsewhere in this Schedule 1 and in these presents to any dividend payable on any Non-cumulative Euro Preference Shares shall not be treated as including a reference to any such special dividend);
- (vi) if any date on which dividends are payable on Non-cumulative Euro Preference Shares is not a day on which TARGET is operating and on which banks in London are open for business, and on which foreign exchange dealings may be conducted in Euro (“a Euro Business Day”), then payment of the dividend payable on such date will be made on the succeeding Euro Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Euro Business Day; for these purposes “TARGET” means the Trans-European Real-Time Gross Settlement Express Transfer (TARGET) system;
- (vii) dividends payable on Non-cumulative Euro Preference Shares shall accrue from and to the dates determined by the Directors prior to allotment thereof, and the amount of dividend payable in respect of any period shorter than a full dividend period will be calculated on the basis of twelve 30 day months, a 360 day year and the actual number of days elapsed in such period;

- (viii) if any dividend stated to be payable on the Non-cumulative Euro Preference Shares on the most recent dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, no dividends may be declared on any other share capital of the Company (other than the Cumulative Preference Shares), and no sum may be set aside for the payment thereof, unless, on the date of declaration relative to any such payment, an amount equal to the dividend stated to be payable on the Non-cumulative Euro Preference Shares in respect of the then current dividend period is set aside for the payment in full of such dividend on the dividend payment date relating to the then current dividend period; and
- (ix) if any dividend stated to be payable on the Non-cumulative Euro Preference Shares on any dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, the Company may not redeem or purchase or otherwise acquire for any consideration any other share capital of the Company, and may not set aside any sum nor establish any sinking fund for the redemption or purchase or other such acquisition thereof, until such time as dividends stated to be payable on the Non-cumulative Euro Preference Shares in respect of successive dividend periods together aggregating no less than twelve months shall thereafter have been declared and paid in full.

2.2A *Abrogation of entitlement to dividend*

In relation to any particular Non-Cumulative Euro Preference Shares allotted on or after the date of passing of resolution 17 set out in Appendix 2 to the circular letter to shareholders dated 15th March 2004, all of the following provisions shall apply if (but only if) the Directors so determine prior to allotment thereof:

- (i) the Directors may, in their sole and absolute discretion, resolve prior to any dividend payment date that the dividend on such Non-cumulative Euro Preference Shares, or part thereof, shall not be paid on that dividend payment date. If the Directors resolve as aforesaid, then none or (as the case may be) part only of the dividend shall not be declared and/or paid. The Directors shall be bound to give their reasons for exercising their discretion under this sub-paragraph, and the Directors may exercise their discretion in respect of a dividend notwithstanding the previous setting aside of a sum to provide for payment of that dividend;
- (ii) to the extent that any dividend or part of a dividend on any Non-cumulative Euro Preference Shares is, on any occasion, not paid by reason of the exercise of the Directors' discretion pursuant to sub-paragraph (i) above, the holders of such shares shall have no claim in respect of such non-payment;
- (iii) if any dividend or part of a dividend on any Non-cumulative Euro Preference Shares has, on any occasion, not been paid by reason of the exercise of the Directors' discretion under sub-paragraph (i) above:
 - (1) the provisions of sub-paragraphs (viii) and (ix) of paragraph 2.2 shall not apply in respect of such non-payment;
 - (2) such non-payment shall not prevent or restrict (a) the declaration and payment of dividends on any other Non-cumulative Euro Preference Shares, or on any preference share capital of the Company expressed to rank *pari passu* with the Non-cumulative Euro Preference Shares, (b) the setting aside of sums for the payment of such dividends, (c) (subject to (4) below) the redemption, purchase or other acquisition of shares in the Company by the

- Company, or (d) (subject to (4) below) the setting aside of sums, or the establishment of sinking funds, for any such redemption, purchase or other acquisition by the Company;
- (3) no dividend may be declared or paid on any share capital ranking after the Non-cumulative Euro Preference Shares as regards participation in profits (including the Ordinary Shares) until such time as the dividend stated to be payable on the Non-cumulative Euro Preference Shares to which the non-payment relates in respect of a dividend period has thereafter been declared and paid in full; and
- (4) the Company may not redeem or purchase or otherwise acquire for any consideration any share capital ranking after the Non-cumulative Euro Preference Shares, and may not set aside any sum nor establish any sinking fund for the redemption, purchase or other such acquisition thereof, until such time as dividends stated to be payable on the Non-cumulative Euro Preference Shares to which the non-payment relates in respect of successive dividend periods together aggregating no less than twelve months shall thereafter have been declared and paid in full;
- (iv) if there is any conflict between the provisions of this paragraph 2.2A, as they apply to any Non-cumulative Euro Preference Shares, and any other provisions of this Schedule applying to such Non-cumulative Euro Preference Shares, the provisions of this paragraph 2.2A shall prevail. In paragraph 2.1, the words ", and subject to the provisions of paragraph 2.2A, if applicable" shall be deemed to be inserted after "if applicable" in the first sentence, and in paragraph 2.2 the words "(subject to the provisions of paragraph 2.2A, if applicable)" shall be deemed to be inserted after "such dividend shall" in sub-paragraph (i) and after "dividends shall" in sub-paragraph (ii);
- (v) in determining the sum payable on any Non-cumulative Euro Preference Shares pursuant to paragraph 2.3(i) below on a winding up or liquidation, the Directors' discretion under sub-paragraph (i) above shall be disregarded save in so far as such discretion was actually exercised prior to the making of the determination;
- (vi) in calculating any Relevant Redemption Premium payable in respect of any Non-cumulative Euro Preference Shares pursuant to paragraph 2.6(ii)(B) below, the components "A" and "C" in the formulae for such calculation shall be determined on the assumption that there shall be no exercise by the Directors of their discretion under sub-paragraph (i) above and in respect of such Non-cumulative Euro Preference Shares; and
- (vii) for the avoidance of doubt, no series of Non-cumulative Euro Preference Shares shall be treated as ranking after any other New Preference Shares with which it is expressed to rank *pari passu* as regards participating in profits, by reason only of the provisions set out in this paragraph 2.2A being included in the terms of issue applicable to that series, or any dividend on that series not being paid by virtue of this paragraph 2.2A.

2.3 *Capital*

The right on a winding up or liquidation, voluntary or otherwise other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase by the Company of any shares of any class to receive in Euro out of the surplus assets of the Company available for distribution amongst the members:—

- (i) after payment of the arrears (if any) of the fixed cumulative preferential dividends stated to be payable on the Cumulative Preference Shares to the holders thereof in accordance with Article 4(B) FIRSTLY and *pari passu* with the holders of any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in profits and in priority to the holders of the Ordinary Shares of the Company a sum equal to:—
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or liquidation but which is payable in respect of a period ending on or before such date; and
 - (B) any further amount of dividend payable in respect of the period from the preceding dividend payment date to the date of payment in accordance with this sub-paragraph (i);

but only to the extent that any such amount or further amount was, or would have been payable as a dividend in accordance with or pursuant to this Schedule 1 (other than pursuant to this provision); and
- (ii) subject thereto, *pari passu* with the holders of the Cumulative Preference Shares and any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in surplus assets in priority to the holders of the Ordinary Shares of the Company, a sum equal to the amount paid up or credited as paid up on the Non-cumulative Euro Preference Shares (including any premium paid to the Company in respect thereof on issue).

If upon any such winding-up or liquidation, the amounts available for payment are insufficient to cover the amounts payable in full on the Cumulative Preference Shares, the Non-cumulative Euro Preference Shares and on any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in surplus assets, then the holders of the Cumulative Preference Shares, the Non-cumulative Euro Preference Shares and such other New Preference Shares will share rateably in the distribution of surplus assets (if any) in proportion to the full respective preferential amounts to which they are entitled. No Non-cumulative Euro Preference Share shall confer any right to participate in the surplus assets of the Company other than that set out in this paragraph 2.3.

2.4 *Receipt of Notices*

The right to have sent to the holder of each Non-cumulative Euro Preference Share (at the same time as the same are sent to the holders of Ordinary Shares) a copy of the Company's Annual Report and Accounts and Interim Financial Statement together with notice of any General Meeting of the Company at which such holder is entitled to attend and vote.

2.5 *Attendance and Voting at Meetings*

The right to attend at a General Meeting of the Company and to speak to or vote upon any Resolution proposed thereat in the following circumstances:—

- (i) in respect of a Resolution which is to be proposed at the Meeting either varying or abrogating any of the rights attached to the Non-cumulative Euro Preference Shares or proposing the winding up of the Company (and then in each such case only to speak to and vote upon any such Resolution);

- (ii) in circumstances where the dividend stated to be payable on the Non-cumulative Euro Preference Shares in respect of such number of dividend periods as the Directors shall determine prior to allotment thereof has not been declared and paid in full, and until such date as the Directors shall likewise determine; and
- (iii) in such other circumstances as the Directors may determine prior to allotment of the Non-cumulative Euro Preference Shares,

but not otherwise, together with the right, in such circumstances and on such terms, if any, as the Directors may determine prior to allotment of the Non-cumulative Euro Preference Shares, to seek to requisition a General Meeting of the Company. Whenever holders of Non-cumulative Euro Preference Shares are so entitled to vote on a Resolution, on a show of hands every such holder who is present in person, and every proxy present who has been duly appointed by any such holder, shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have such number of votes for each Non-cumulative Euro Preference Share held as may be determined by the Directors prior to allotment of such Non-cumulative Euro Preference Shares.

2.6 *Redemption*

- (i) Unless the Directors shall, prior to the allotment of any series of Non-cumulative Euro Preference Shares, determine that such series shall be non-redeemable, each series of Non-cumulative Euro Preference Shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company in accordance with the following provisions.
- (ii) In the case of any series of Non-cumulative Euro Preference Shares which are to be so redeemable:—
 - (A) the Company may, subject thereto, redeem on any Redemption Date (as hereinafter defined) all or some only of the Non-cumulative Euro Preference Shares by giving to the holders of the Non-cumulative Euro Preference Shares to be redeemed not less than 30 days' nor more than 60 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date. "Redemption Date" means, in relation to a Non-cumulative Euro Preference Share, any date which falls no earlier than five years and one day (or such longer period (if any) as may be fixed by the Directors prior to allotment of such Share) after the date of allotment of the Non-cumulative Euro Preference Share to be redeemed;
 - (B) there shall be paid on each Non-cumulative Euro Preference Share so redeemed, in Euro, the aggregate of the nominal amount thereof together with any premium paid on issue together with, where applicable, the Relevant Redemption Premium (defined below) and together with arrears (if any) of dividends thereon (whether earned or declared or not) in respect of the period from the dividend payment date last preceding the Redemption Date to the Redemption Date. "Relevant Redemption Premium" means an amount calculated in accordance with such one (if any) of the following three formulae as applied in relation to a Redemption Date notified under subparagraph (A) above which falls within the period of twelve months commencing on the date following the fifth, sixth, seventh, eighth or ninth anniversary of the relevant date of allotment ("the Relevant Date"), as the case may be, as may be determined by the Directors prior to the Relevant Date. The formula for calculation of the Relevant Redemption Premium shall be:—

(a) A x B

where:—

“A” is the amount of dividend excluding any associated tax credit (not expressed as a percentage) calculated at the date of allotment to which the holder of the Non-cumulative Euro Preference Share to be redeemed would become entitled in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend had accrued on the Non-cumulative Euro Preference Share during such period and was payable at the end of such period and on the further assumption that there shall be no change in the associated tax credit affecting the amount of dividend payable in respect of such period; and

“B” in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, is 66.66 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, is 53.33 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, is 40 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, is 26.66 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date is 13.33 per cent.; or

(b) C x D

where:—

“C” is the amount of dividend excluding any associated tax credit (not expressed as a percentage) calculated at the date of allotment to which the holder of the Non-cumulative Euro Preference Share to be redeemed would become entitled in respect of the twelve months following allotment by virtue of the terms of issue thereof on the assumption that such amount of dividend had accrued on the Non-cumulative Euro Preference Share during such period and was

payable at the end of such period and on the further assumption that there shall be no change in the associated tax credit affecting the amount of dividend payable in respect of such period; and

“D” in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, is 50 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, is 40 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, is 30 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, is 20 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date is 10 per cent.; or

(c) E x F

where:—

“E” is the amount of €25; and

“F” in relation to a Redemption Date falling within the period of twelve months commencing on the day following the fifth anniversary of the Relevant Date, is 33.33 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the sixth anniversary of the Relevant Date, is 26.66 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the seventh anniversary of the Relevant Date, is 20 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the eighth anniversary of the Relevant Date, is 13.33 per cent.,

or

in relation to a Redemption Date falling within the period of twelve months commencing on the day following the ninth anniversary of the Relevant Date, is 6.66 per cent.

No Relevant Redemption Premium shall be payable when the Redemption Date falls after the tenth anniversary of the Relevant Date. The product of any of the above formulae in respect of a Non-cumulative Euro Preference Share may, in the Directors' discretion, be rounded down to the nearest whole Euro.

The Directors may, in their discretion, determine in relation to any Non-cumulative Euro Preference Share, prior to the Relevant Date, that none of the above formulae shall apply, in which event no Relevant Redemption Premium shall be payable;

- (C) in the case of a redemption of some only of the Non-cumulative Euro Preference Shares in any series, the Company shall for the purpose of determining the particular Non-cumulative Euro Preference Shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company;
- (D) any Notice of Redemption given under sub-paragraph (A) above shall specify the applicable Redemption Date, the particular Non-cumulative Euro Preference Shares to be redeemed and the redemption price (specifying the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Non-cumulative Euro Preference Shares to be redeemed will cease to accrue on redemption), and shall state the place or places at which documents of title in respect of such Non-cumulative Euro Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Non-cumulative Euro Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (E) subject to sub-paragraph (I) below, the provisions of this and the following sub-paragraph shall have effect in relation to Non-cumulative Euro Preference Shares for the time being issued and registered in the Register of Members ("Registered Shares") and represented by certificates ("Certificates") and in relation to Non-cumulative Euro Preference Shares which, in accordance with Article 52 of these presents, are for the time being issued and represented by a Warrant (as defined in the said Article 52) ("Bearer Shares"). Payments in respect of the amount due on redemption of a Registered Share shall be made by Euro cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a Euro account maintained by the payee with a bank in London. Such payment will be against presentation and surrender of the relative Certificate at the place or

one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any Non-cumulative Euro Preference Shares not to be redeemed on the relevant Redemption Date the Company shall within fourteen days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such Non-cumulative Euro Preference Shares. Payment in respect of the amount due on redemption of a Bearer Share shall be made by Euro cheque drawn on a bank in London or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a Euro account maintained by the payee with a bank in London. Such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any Non-cumulative Euro Preference Shares not to be redeemed on the relevant Redemption Date the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws;

- (F) as from the relevant Redemption Date the dividend on the Non-cumulative Euro Preference Shares due for redemption shall cease to accrue except on any such Non-cumulative Euro Preference Share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (E) above, payment of the redemption monies due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption monies. Such Non-cumulative Euro Preference Share shall not be treated as having been redeemed until the redemption monies in question together with the accrued dividend thereon shall have been paid;
- (G) if the due date for the payment of the redemption monies on any Non-cumulative Euro Preference Shares is not a Euro Business Day then payment of such monies will be made on the next succeeding day which is a Euro Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Euro Business Day;
- (H) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (D) above in respect of the monies payable on redemption on such Registered Share or, as the case may be, such Bearer Share, shall constitute an absolute discharge to the Company; and
- (I) subject as aftermentioned, the provisions of sub-paragraphs (E) and (F) above shall have effect in relation to Registered Shares which are in uncertificated form within the meaning of the Uncertificated Securities Regulations 1995 (as in force on the date of adoption of this Schedule 1) in the same manner as

they have effect in relation to Registered Shares represented by Certificates, save that (i) any provision of the said paragraphs requiring presentation and surrender of a Certificate shall be satisfied in the manner prescribed or permitted by the said Regulations (or by any enactment or subordinate legislation which amends or supersedes those Regulations) or (subject to those Regulations or such enactment or subordinate legislation) in such manner as may from time to time be prescribed by the Directors), and (ii) the Company shall not be under any obligation to issue a fresh Certificate under sub-paragraph (E).

2.7 *Purchase*

Subject to the provisions of the Statutes and any other applicable laws, the Company may at any time and from time to time purchase any Non-cumulative Euro Preference Shares upon such terms as the Directors shall determine provided that, in the case of Non-cumulative Euro Preference Shares which are listed on the London Stock Exchange, the purchase price, exclusive of expenses and accrued dividends, shall not exceed (i) in the case of a purchase in the open market, or by tender (which shall be available alike to all holders of the Non-cumulative Euro Preference Shares), the average of the closing middle market quotations of such Non-cumulative Euro Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last ten dealing days preceding the date of purchase or (if higher), in the case of a purchase in the open market only, the market price on the date of purchase provided that such market price is not more than 105 per cent. of such average and (ii) in the case of a purchase by private treaty, 120 per cent. of the closing middle market quotation of such Non-cumulative Euro Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last dealing day preceding the date of purchase: but so that this proviso shall not apply to any purchase of Non-cumulative Euro Preference Shares made in the ordinary course of a business of dealing in securities.

3. (a) Save with the written consent of the holders of three-quarters in nominal value of, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of, the Non-cumulative Euro Preference Shares, the Directors shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such shares) in priority to the Non-cumulative Euro Preference Shares.
- (b) The special rights attached to any series of Non-cumulative Euro Preference Shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any New Shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* with or after such Non-cumulative Euro Preference Shares. Any new shares ranking in some or all respects *pari passu* with such Non-cumulative Euro Preference Shares may without their creation or issue being deemed to vary the special rights attached to any Non-cumulative Euro Preference Share then in issue either carry rights identical in all respects with such Non-cumulative Euro Preference Shares or any of them or carry rights differing therefrom in any respect, including, but without prejudice to the generality of the foregoing, in that:—
 - (i) the rate or means of calculating the dividend may differ and the dividend may be cumulative or non-cumulative;

- (ii) the New Shares or any series thereof may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
- (iii) the New Shares may be denominated in Sterling or in any Foreign Currency;
- (iv) a premium may be payable on return of capital or there may be no such premium;
- (v) the New Shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable and if redeemable at the option of the Company, they may be redeemable at different dates and on different terms from those applying to the Non-cumulative Euro Preference Shares; and
- (vi) the New Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after such Non-cumulative Euro Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

SCHEDULE 2

PART 1

Non-cumulative Convertible Sterling Preference Shares

1. The Non-cumulative Convertible Sterling Preference Shares are New Preference Shares. They shall rank after the Cumulative Preference Shares to the extent specified in Article 4 and this Schedule 2, and shall rank *pari passu* inter se and (save as aforesaid) with the Cumulative Preference Shares and with all other New Preference Shares. They shall confer the rights and be subject to the restrictions set out or referred to in this Part 1 of Schedule 2 and shall also confer such further rights (not being inconsistent with the rights set out or referred to in this Part 1) as may be attached by the Directors to such shares in accordance with this Part 1 prior to allotment. Whenever the Directors have power under this Part to determine any of the rights attached to any of the Non-cumulative Convertible Sterling Preference Shares, the rights so determined need not be the same as those attached to the Non-cumulative Convertible Sterling Preference Shares then allotted or in issue. The Non-cumulative Convertible Sterling Preference Shares may be issued in one or more separate series, and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these presents.

2. Each Non-cumulative Convertible Sterling Preference Share shall confer the following rights as to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings, redemption and conversion:

2.1 *Income*

The right (subject to the provisions of paragraph 2.2, if applicable) to a non-cumulative preferential dividend not exceeding a specified amount payable in Sterling at such rate (which, in the case of any series allotted after 11th April 2001, may be fixed or variable and may be subject to recalculation at fixed intervals) on such dates (each a “dividend payment date”) in respect of such periods (each a “dividend period”) and on such other terms and conditions as may be determined by the Directors prior to allotment thereof. References in these presents to a “dividend” on the Non-cumulative Convertible Sterling Preference Shares include a reference to each dividend in respect of each dividend period applicable thereto and references in this Part of the Schedule to dividend payment dates and dividend periods are to dividend payment dates and dividend periods in respect of the Non-cumulative Convertible Sterling Preference Shares only. Such dividends shall be paid in priority to the payment of any dividends on the Ordinary Shares. The Non-cumulative Convertible Sterling Preference Shares shall rank for dividend after the Cumulative Preference Shares, *pari passu* with the Non-cumulative Sterling Preference Shares, the Non-cumulative Dollar Preference Shares, the Category II Non-cumulative Dollar Preference Shares, all other Convertible Preference Shares and all other New Preference Shares expressed to rank *pari passu* therewith as regards participation in profits and otherwise in priority to any other share capital in the Company.

2.2 *Further provisions as to income*

All or any of the following provisions shall apply in relation to any particular Non-cumulative Convertible Sterling Preference Shares if so determined by the Directors prior to allotment thereof:-

- (i) if, in the opinion of the Directors, the distributable profits of the Company are sufficient to cover the payment in full of dividends on the Non-cumulative Convertible Sterling Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other

New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on such date on any Cumulative Preference Share, then each such dividend shall be declared and paid in full;

- (ii) if, in the opinion of the Directors, the distributable profits of the Company are insufficient to cover the payment in full of dividends on the Non-cumulative Convertible Sterling Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on or before such date on any Cumulative Preference Share, then dividends shall be declared by the Directors *pro rata* for the Non-cumulative Convertible Sterling Preference Shares and such other New Preference Shares to the extent of the available distributable profits (if any) to the intent that the amount of dividend declared per share on each such Non-cumulative Convertible Sterling Preference Share and other New Preference Share will bear to each other the same ratio as the dividends accrued per share on each such Non-cumulative Convertible Sterling Preference Share and other New Preference Share bear to each other. If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (iii) if, in the opinion of the Directors, the payment of any dividend on any Non-cumulative Convertible Sterling Preference Shares would breach or cause a breach of the capital adequacy requirements of the Financial Services Authority (or any person or body to whom the banking supervision functions of the Financial Services Authority are transferred) applicable to the Company and/or any of its subsidiaries, then none of such dividend shall be declared or paid;
- (iv) subject to sub-paragraph (v) below, the Non-cumulative Convertible Sterling Preference Shares shall carry no further right to participate in the profits of the Company and if and to the extent that any dividend or part thereof is on any occasion not paid for the reasons described in sub-paragraph (ii) or (iii) above, the holders of such shares shall have no claim in respect of such non-payment;
- (v) if any dividend or part thereof on any Non-cumulative Convertible Sterling Preference Share is not payable for the reasons specified in sub-paragraphs (ii) or (iii) above and if they so resolve, the Directors may, subject to the Statutes, pay a special non-cumulative preferential dividend on the Non-cumulative Convertible Sterling Preference Shares at a rate not exceeding £0.01 per share (but so that reference elsewhere in this Schedule 2 and in these presents to any dividend payable on any Non-cumulative Convertible Sterling Preference Shares shall not be treated as including a reference to any such special dividend);
- (vi) if any date on which dividends are payable on Non-cumulative Convertible Sterling Preference Shares is not a day on which banks in London are open for business, and on which foreign exchange dealings may be conducted in London (“a Sterling Business Day”), then payment of the dividend payable on such date will be made on the succeeding Sterling Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Sterling Business Day;

- (vii) dividends payable on Non-cumulative Convertible Sterling Preference Shares shall accrue from and to the dates determined by the Directors prior to allotment thereof, and the amount of dividend payable in respect of any period shorter than a full dividend period will be calculated on the basis of twelve 30 day months, a 360 day year and the actual number of days elapsed in such period;
- (viii) if any dividend stated to be payable on the Non-cumulative Convertible Sterling Preference Shares on the most recent dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, no dividends may be declared on any other share capital of the Company (other than the Cumulative Preference Shares), and no sum may be set aside for the payment thereof, unless, on the date of declaration relative to any such payment, an amount equal to the dividend stated to be payable on the Non-cumulative Convertible Sterling Preference Shares in respect of the then current dividend period is set aside for the payment in full of such dividend on the dividend payment date relating to the then current dividend period; and
- (ix) if any dividend stated to be payable on the Non-cumulative Convertible Sterling Preference Shares on any dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, the Company may not redeem or purchase or otherwise acquire for any consideration any other share capital of the Company, and may not set aside any sum nor establish any sinking fund for the redemption or purchase or other such acquisition thereof, until such time as dividends stated to be payable on the Non-cumulative Convertible Sterling Preference Shares in respect of successive dividend periods together aggregating no less than twelve months shall thereafter have been declared and paid in full.

2.3 *Capital*

The right on a winding up or liquidation, voluntary or otherwise other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase by the Company of any shares of any class to receive in Sterling out of the surplus assets of the Company available for distribution amongst the members:-

- (i) after payment of the arrears (if any) of the fixed cumulative preferential dividends stated to be payable on the Cumulative Preference Shares to the holders thereof in accordance with Article 4(B) FIRSTLY and pari passu with the holders of any other New Preference Shares expressed to rank pari passu therewith as regards participation in profits and in priority to the holders of the Ordinary Shares of the Company a sum equal to:-
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or liquidation but which is payable in respect of a period ending on or before such date; and
 - (B) any further amount of dividend payable in respect of the period from the preceding dividend payment date to the date of payment in accordance with this sub-paragraph (i);

but only to the extent that any such amount or further amount was, or would have been payable as a dividend in accordance with or pursuant to this Part of Schedule 2 (other than pursuant to this provision); and

- (ii) subject thereto, pari passu with the holders of the Cumulative Preference Shares and any other New Preference Shares expressed to rank pari passu therewith as regards participation in surplus assets in priority to the holders of the Ordinary Shares of the Company, a sum equal to the amount paid up or credited as paid up on the Non-cumulative Convertible Sterling Preference Shares (including any premium paid to the Company in respect thereof on issue).

If upon any such winding-up or liquidation, the amounts available for payment are insufficient to cover the amounts payable in full on the Cumulative Preference Shares, the Non-cumulative Convertible Sterling Preference Shares and on any other New Preference Shares expressed to rank pari passu therewith as regards participation in surplus assets, then the holders of the Cumulative Preference Shares, the Non-cumulative Convertible Sterling Preference Shares and such other New Preference Shares will share rateably in the distribution of surplus assets (if any) in proportion to the full respective preferential amounts to which they are entitled. No Non-cumulative Convertible Sterling Preference Share shall confer any right to participate in the surplus assets of the Company other than that set out in this paragraph 2.3.

2.4 *Receipt of Notices*

The right to have sent to the holder of each Non-cumulative Convertible Sterling Preference Share (at the same time as the same are sent to the holders of Ordinary Shares) a copy of the Company's Annual Report and Accounts and Interim Financial Statement together with notice of any General Meeting of the Company at which such holder is entitled to attend and vote.

2.5 *Attendance and Voting at Meetings*

The right to attend at a General Meeting of the Company and to speak to or vote upon any Resolution proposed thereat in the following circumstances:-

- (i) in respect of a Resolution which is to be proposed at the Meeting either varying or abrogating any of the rights attached to the Non-cumulative Convertible Sterling Preference Shares or proposing the winding up of the Company (and then in each such case only to speak to and vote upon any such Resolution);
- (ii) in circumstances where the dividend stated to be payable on the Non-cumulative Convertible Sterling Preference Shares in respect of such number of dividend periods as the Directors shall determine prior to allotment thereof has not been declared and paid in full, and until such date as the Directors shall likewise determine; and
- (iii) in such other circumstances as the Directors may determine prior to allotment of the Non-cumulative Convertible Sterling Preference Shares, but not otherwise, together with the right, in such circumstances and on such terms, if any, as the Directors may determine prior to allotment of the Non-cumulative Convertible Sterling Preference Shares, to seek to requisition a General Meeting of the Company. Whenever holders of Non-cumulative Convertible Sterling Preference Shares are so entitled to vote on a Resolution, on a show of hands every such holder who is present in person, and every proxy present who has been duly appointed by any such holder, shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have such number of votes for each Non-cumulative Convertible Sterling Preference Share held as may be determined by the Directors prior to allotment of such Non-cumulative Convertible Sterling Preference Shares.

2.6 *Redemption*

Each series of Non-cumulative Convertible Sterling Preference Shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company in accordance with the following provisions:-

- (A) the Company may, subject thereto, redeem on any Redemption Date (as hereinafter defined) all or some only of the Non-cumulative Convertible Sterling Preference Shares by giving to the holders of the Non-cumulative Convertible Sterling Preference Shares to be redeemed not less than 120 days' nor more than 150 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date. "Redemption Date" means, in relation to a Non-cumulative Convertible Sterling Preference Share, any date which falls no earlier than ten years and one day after the date of allotment of the Non-cumulative Convertible Sterling Preference Share to be redeemed; provided that the Directors may determine, prior to allotment of any series of Non-cumulative Convertible Sterling Preference Shares, that this sub-paragraph (A) shall have effect in relation to that series as if the reference to ten years was a reference to such longer period (not exceeding thirty years) as they determine prior to allotment. The Company shall not be entitled (save with the consent of the relevant holder) to give a Notice of Redemption under this sub-paragraph (A) in respect of any share for which a Conversion Notice (as defined in paragraph 5 of Part 4 of this Schedule 2) has been given in accordance with that Part and not withdrawn;
- (AA) notwithstanding the foregoing, in relation to any series of Non-cumulative Convertible Sterling Preference Shares allotted after 11th April 2001, sub-paragraph (A) above shall have effect as if the references to ten years, in both places where they occur, were references to five years;
- (B) there shall be paid on each Non-cumulative Convertible Sterling Preference Share so redeemed, in Sterling, the aggregate of the nominal amount thereof together with any premium paid on issue and together with arrears (if any) of dividends thereon (whether earned or declared or not) in respect of the period from the dividend payment date last preceding the Redemption Date to the Redemption Date;
- (C) in the case of a redemption of some only of the Non-cumulative Convertible Sterling Preference Shares in any series, the Company shall for the purpose of determining the particular Non-cumulative Convertible Sterling Preference Shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company, provided that there shall be excluded from such drawing any Non-cumulative Convertible Sterling Preference Shares to be converted pursuant to Part 4 of this Schedule 2;
- (D) any Notice of Redemption given under sub-paragraph (A) above shall specify the applicable Redemption Date, the particular Non-cumulative Convertible Sterling Preference Shares to be redeemed and the redemption price (specifying the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Non-cumulative Convertible Sterling Preference Shares to be redeemed will cease to accrue on redemption), and shall state the place or places at which documents of title in respect of such Non-cumulative Convertible Sterling Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Non-cumulative Convertible Sterling Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;

- (E) subject to sub-paragraph (I) below, the provisions of this and the following sub-paragraph shall have effect in relation to Non-cumulative Convertible Sterling Preference Shares for the time being issued and registered in the Register of Members (“Registered Shares”) and represented by certificates (“Certificates”) and in relation to Non-cumulative Convertible Sterling Preference Shares which, in accordance with Article 52 of these presents, are for the time being issued and represented by a Warrant (as defined in the said Article 52) (“Bearer Shares”). Payments in respect of the amount due on redemption of a Registered Share shall be made by Sterling cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a Sterling account maintained by the payee with a bank in London. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any Non-cumulative Convertible Sterling Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Convertible Sterling Preference Shares to be converted pursuant to Part 4 of this Schedule 2) the Company shall within fourteen days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such Non-cumulative Convertible Sterling Preference Shares. Payment in respect of the amount due on redemption of a Bearer Share shall be made by Sterling cheque drawn on a bank in London or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a Sterling account maintained by the payee with a bank in London. Such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any Non-cumulative Convertible Sterling Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Convertible Sterling Preference Shares to be converted pursuant to Part 4 of this Schedule 2) the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws;

- (F) as from the relevant Redemption Date the dividend on the Non-cumulative Convertible Sterling Preference Shares due for redemption shall cease to accrue except on any such Non-cumulative Convertible Sterling Preference Share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (E) above, payment of the redemption monies due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption monies. Such Non-cumulative Convertible Sterling Preference Share shall not be treated as having been redeemed until the redemption monies in question together with the accrued dividend thereon shall have been paid;
- (G) if the due date for the payment of the redemption monies on any Non-cumulative Convertible Sterling Preference Shares is not a Sterling Business Day then payment of such monies will be made on the next succeeding day which is a Sterling Business Day and without any interest or other payment in respect of such delay unless such

day shall fall within the next calendar month whereupon such payment will be made on the preceding Sterling Business Day;

- (H) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (D) above in respect of the monies payable on redemption on such Registered Share or, as the case may be, such Bearer Share, shall constitute an absolute discharge to the Company; and
- (I) subject as aftermentioned, the provisions of sub-paragraphs (E) and (F) above shall have effect in relation to Registered Shares which are in uncertificated form within the meaning of the Uncertificated Securities Regulations 1995 (as in force on the date of adoption of this Schedule 2) in the same manner as they have effect in relation to Registered Shares represented by Certificates, save that (i) any provision of the said paragraphs requiring presentation and surrender of a Certificate shall be satisfied in the manner prescribed or permitted by the said Regulations (or by any enactment or subordinate legislation which amends or supersedes those Regulations) or (subject to those Regulations or such enactment or subordinate legislation) in such manner as may from time to time be prescribed by the Directors), and (ii) the Company shall not be under any obligation to issue a fresh Certificate under sub-paragraph (E).

2.7 *Purchase*

Subject to the provisions of the Statutes and any other applicable laws, the Company may at any time and from time to time purchase any Non-cumulative Convertible Sterling Preference Shares upon such terms as the Directors shall determine provided that, in the case of Non-cumulative Convertible Sterling Preference Shares which are listed on the London Stock Exchange, the purchase price, exclusive of expenses and accrued dividends, shall not exceed (i) in the case of a purchase in the open market, or by tender (which shall be available alike to all holders of the Non-cumulative Convertible Sterling Preference Shares), the average of the closing middle market quotations of such Non-cumulative Convertible Sterling Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last ten dealing days preceding the date of purchase or (if higher), in the case of a purchase in the open market only, the market price on the date of purchase provided that such market price is not more than 105 per cent of such average and (ii) in the case of a purchase by private treaty, 120 per cent of the closing middle market quotation of such Non-cumulative Convertible Sterling Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last dealing day preceding the date of purchase: but so that this proviso shall not apply to any purchase of Non-cumulative Convertible Sterling Preference Shares made in the ordinary course of a business of dealing in securities.

2.8 *Conversion*

The Non-cumulative Convertible Sterling Preference Shares shall be convertible into Ordinary Shares in the manner set out in (and subject to the provisions of) Part 4 of this Schedule 2. The provisions of paragraph 2.6 of this Part 1 regarding redemption are without prejudice to any provisions in the said Part 4 providing for the effecting of conversion by means of redemption.

- 3. (a) Save with the written consent of the holders of three-quarters in nominal value of, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of, the Non-cumulative Convertible Sterling Preference Shares, the Directors shall not authorise or create, or increase the amount of, any shares of any class or any

security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such shares) in priority to the Non-cumulative Convertible Sterling Preference Shares.

- (b) The special rights attached to any series of Non-cumulative Convertible Sterling Preference Shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any New Shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* with or after such Non-cumulative Convertible Sterling Preference Shares. Any new shares ranking in some or all respects *pari passu* with such Non-cumulative Convertible Sterling Preference Shares may without their creation or issue being deemed to vary the special rights attached to any Non-cumulative Convertible Sterling Preference Share then in issue either carry rights identical in all respects with such Non-cumulative Convertible Sterling Preference Shares or any of them or carry rights differing therefrom in any respect, including, but without prejudice to the generality of the foregoing, in that:-
- (i) the rate or means of calculating the dividend may differ and the dividend may be cumulative or non-cumulative;
 - (ii) the New Shares or any series thereof may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
 - (iii) the New Shares may be denominated in Sterling or in any Foreign Currency;
 - (iv) a premium may be payable on return of capital or there may be no such premium;
 - (v) the New Shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable and if redeemable at the option of the Company, they may be redeemable at different dates and on different terms from those applying to the Non-cumulative Convertible Sterling Preference Shares; and
 - (vi) the New Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after such Non-cumulative Convertible Sterling Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

PART 2

Non-cumulative Convertible Dollar Preference Shares

1. The Non-cumulative Convertible Dollar Preference Shares are New Preference Shares. They shall rank after the Cumulative Preference Shares to the extent specified in Article 4 and this Schedule 2, and shall rank pari passu inter se and (save as aforesaid) with the Cumulative Preference Shares and with all other New Preference Shares. They shall confer the rights and be subject to the restrictions set out or referred to in this Part 2 of Schedule 2 and shall also confer such further rights (not being inconsistent with the rights set out or referred to in this Part 2) as may be attached by the Directors to such shares in accordance with this Part 2 prior to allotment. Whenever the Directors have power under this Part to determine any of the rights attached to any of the Non-cumulative Convertible Dollar Preference Shares, the rights so determined need not be the same as those attached to the Non-cumulative Convertible Dollar Preference Shares then allotted or in issue. The Non-cumulative Convertible Dollar Preference Shares may be issued in one or more separate series, and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these presents.

2. Each Non-cumulative Convertible Dollar Preference Share shall confer the following rights as to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings, redemption and conversion:

2.1 *Income*

The right (subject to the provisions of paragraph 2.2, if applicable) to a non-cumulative preferential dividend not exceeding a specified amount payable in Dollars at such rate (which, in the case of any series allotted after 11th April 2001, may be fixed or variable and may be subject to recalculation at fixed intervals) on such dates (each a "dividend payment date") in respect of such periods (each a "dividend period") and on such other terms and conditions as may be determined by the Directors prior to allotment thereof. References in these presents to a "dividend" on the Non-cumulative Convertible Dollar Preference Shares include a reference to each dividend in respect of each dividend period applicable thereto and references in this Part of the Schedule to dividend payment dates and dividend periods are to dividend payment dates and dividend periods in respect of the Non-cumulative Convertible Dollar Preference Shares only. Such dividends shall be paid in priority to the payment of any dividends on the Ordinary Shares. The Non-cumulative Convertible Dollar Preference Shares shall rank for dividend after the Cumulative Preference Shares, pari passu with the Non-cumulative Sterling Preference Shares, the Non-cumulative Dollar Preference Shares, the Category II Non-cumulative Dollar Preference Shares, all other Convertible Preference Shares and all other New Preference Shares expressed to rank pari passu therewith as regards participation in profits and otherwise in priority to any other share capital in the Company.

2.2 *Further provisions as to income*

All or any of the following provisions shall apply in relation to any particular Non-cumulative Convertible Dollar Preference Shares if so determined by the Directors prior to allotment thereof:-

- (i) if, in the opinion of the Directors, the distributable profits of the Company are sufficient to cover the payment in full of dividends on the Non-cumulative Convertible Dollar Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank pari passu therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in

full, of all dividends stated to be payable on such date on any Cumulative Preference Share, then each such dividend shall be declared and paid in full;

- (ii) if, in the opinion of the Directors, the distributable profits of the Company are insufficient to cover the payment in full of dividends on the Non-cumulative Convertible Dollar Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on or before such date on any Cumulative Preference Share, then dividends shall be declared by the Directors *pro rata* for the Non-cumulative Convertible Dollar Preference Shares and such other New Preference Shares to the extent of the available distributable profits (if any) to the intent that the amount of dividend declared per share on each such Non-cumulative Convertible Dollar Preference Share and other New Preference Share will bear to each other the same ratio as the dividends accrued per share on each such Non-cumulative Convertible Dollar Preference Share and other New Preference Share bear to each other. If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (iii) if, in the opinion of the Directors, the payment of any dividend on any Non-cumulative Convertible Dollar Preference Shares would breach or cause a breach of the capital adequacy requirements of the Financial Services Authority (or any person or body to whom the banking supervision functions of the Financial Services Authority are transferred) applicable to the Company and/or any of its subsidiaries, then none of such dividend shall be declared or paid;
- (iv) subject to sub-paragraph (v) below, the Non-cumulative Convertible Dollar Preference Shares shall carry no further right to participate in the profits of the Company and if and to the extent that any dividend or part thereof is on any occasion not paid for the reasons described in sub-paragraph (ii) or (iii) above, the holders of such shares shall have no claim in respect of such non-payment; (v) if any dividend or part thereof on any Non-cumulative Convertible Dollar Preference Share is not payable for the reasons specified in sub-paragraphs (ii) or (iii) above and if they so resolve, the Directors may, subject to the Statutes, pay a special non-cumulative preferential dividend on the Non-cumulative Convertible Dollar Preference Shares at a rate not exceeding 1 (one) US cent per share (but so that reference elsewhere in this Schedule 2 and in these presents to any dividend payable on any Non-cumulative Convertible Dollar Preference Shares shall not be treated as including a reference to any such special dividend);
- (vi) if any date on which dividends are payable on Non-cumulative Convertible Dollar Preference Shares is not a day on which banks in London and the City of New York are open for business, and on which foreign exchange dealings may be conducted in such cities (a "Dollar Business Day"), then payment of the dividend payable on such date will be made on the succeeding Dollar Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Dollar Business Day;
- (vii) dividends payable on Non-cumulative Convertible Dollar Preference Shares shall accrue from and to the dates determined by the Directors prior to allotment thereof,

and the amount of dividend payable in respect of any period shorter than a full dividend period will be calculated on the basis of twelve 30 day months, a 360 day year and the actual number of days elapsed in such period;

- (viii) if any dividend stated to be payable on the Non-cumulative Convertible Dollar Preference Shares on the most recent dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, no dividends may be declared on any other share capital of the Company (other than the Cumulative Preference Shares), and no sum may be set aside for the payment thereof, unless, on the date of declaration relative to any such payment, an amount equal to the dividend stated to be payable on the Non-cumulative Convertible Dollar Preference Shares in respect of the then current dividend period is set aside for the payment in full of such dividend on the dividend payment date relating to the then current dividend period; and
- (ix) if any dividend stated to be payable on the Non-cumulative Convertible Dollar Preference Shares on any dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, the Company may not redeem or purchase or otherwise acquire for any consideration any other share capital of the Company, and may not set aside any sum nor establish any sinking fund for the redemption or purchase or other such acquisition thereof, until such time as dividends stated to be payable on the Non-cumulative Convertible Dollar Preference Shares in respect of successive dividend periods together aggregating no less than twelve months shall thereafter have been declared and paid in full.

2.3 *Capital*

The right on a winding up or liquidation, voluntary or otherwise other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase by the Company of any shares of any class to receive in Dollars out of the surplus assets of the Company available for distribution amongst the members:-

- (i) after payment of the arrears (if any) of the fixed cumulative preferential dividends stated to be payable on the Cumulative Preference Shares to the holders thereof in accordance with Article 4(B) FIRSTLY and pari passu with the holders of any other New Preference Shares expressed to rank pari passu therewith as regards participation in profits and in priority to the holders of the Ordinary Shares of the Company a sum equal to:-
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or liquidation but which is payable in respect of a period ending on or before such date; and
 - (B) any further amount of dividend payable in respect of the period from the preceding dividend payment date to the date of payment in accordance with this sub-paragraph (i);

but only to the extent that any such amount or further amount was, or would have been payable as a dividend in accordance with or pursuant to this Part of Schedule 2 (other than pursuant to this provision); and

- (ii) subject thereto, pari passu with the holders of the Cumulative Preference Shares and any other New Preference Shares expressed to rank pari passu therewith as regards participation in surplus assets in priority to the holders of the Ordinary Shares of the

Company, a sum equal to the amount paid up or credited as paid up on the Non-cumulative Convertible Dollar Preference Shares (including any premium paid to the Company in respect thereof on issue).

If upon any such winding-up or liquidation, the amounts available for payment are insufficient to cover the amounts payable in full on the Cumulative Preference Shares, the Non-cumulative Convertible Dollar Preference Shares and on any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in surplus assets, then the holders of the Cumulative Preference Shares, the Non-cumulative Convertible Dollar Preference Shares and such other New Preference Shares will share rateably in the distribution of surplus assets (if any) in proportion to the full respective preferential amounts to which they are entitled. No Non-cumulative Convertible Dollar Preference Share shall confer any right to participate in the surplus assets of the Company other than that set out in this paragraph 2.3.

2.4 *Receipt of Notices*

The right to have sent to the holder of each Non-cumulative Convertible Dollar Preference Share (at the same time as the same are sent to the holders of Ordinary Shares) a copy of the Company's Annual Report and Accounts and Interim Financial Statement together with notice of any General Meeting of the Company at which such holder is entitled to attend and vote.

2.5 *Attendance and Voting at Meetings*

The right to attend at a General Meeting of the Company and to speak to or vote upon any Resolution proposed thereat in the following circumstances:-

- (i) in respect of a Resolution which is to be proposed at the Meeting either varying or abrogating any of the rights attached to the Non-cumulative Convertible Dollar Preference Shares or proposing the winding up of the Company (and then in each such case only to speak to and vote upon any such Resolution);
- (ii) in circumstances where the dividend stated to be payable on the Non-cumulative Convertible Dollar Preference Shares in respect of such number of dividend periods as the Directors shall determine prior to allotment thereof has not been declared and paid in full, and until such date as the Directors shall likewise determine; and
- (iii) in such other circumstances as the Directors may determine prior to allotment of the Non-cumulative Convertible Dollar Preference Shares,

but not otherwise, together with the right, in such circumstances and on such terms, if any, as the Directors may determine prior to allotment of the Non-cumulative Convertible Dollar Preference Shares, to seek to requisition a General Meeting of the Company. Whenever holders of Non-cumulative Convertible Dollar Preference Shares are so entitled to vote on a Resolution, on a show of hands every such holder who is present in person, and every proxy present duly appointed by any such holder, shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have such number of votes for each Non-cumulative Convertible Dollar Preference Share held as may be determined by the Directors prior to allotment of such Non-cumulative Convertible Dollar Preference Shares.

2.6 *Redemption*

Each series of Non-cumulative Convertible Dollar Preference Shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company in accordance with the following provisions:-

- (A) the Company may, subject thereto, redeem on any Redemption Date (as hereinafter defined) all or some only of the Non-cumulative Convertible Dollar Preference Shares by giving to the holders of the Non-cumulative Convertible Dollar Preference Shares to be redeemed not less than 120 days' nor more than 150 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date. "Redemption Date" means, in relation to a Non-cumulative Convertible Dollar Preference Share, any date which falls no earlier than five years and one day (or such longer period (if any) as may be fixed by the Directors prior to allotment of such Share) after the date of allotment of the Non-cumulative Convertible Dollar Preference Share to be redeemed. The Company shall not be entitled (save with the consent of the relevant holder) to give a Notice of Redemption under this sub-paragraph (A) in respect of any share for which a Conversion Notice (as defined in paragraph 5 of Part 4 of this Schedule 2) has been given in accordance with that Part and not withdrawn;
- (B) there shall be paid on each Non-cumulative Convertible Dollar Preference Share so redeemed, in Dollars, the aggregate of the nominal amount thereof together with any premium paid on issue and together with arrears (if any) of dividends thereon (whether earned or declared or not) in respect of the period from the dividend payment date last preceding the Redemption Date to the Redemption Date;
- (C) in the case of a redemption of some only of the Non-cumulative Convertible Dollar Preference Shares in any series, the Company shall for the purpose of determining the particular Non-cumulative Convertible Dollar Preference Shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company, provided that there shall be excluded from such drawing any Non-cumulative Convertible Dollar Preference Shares to be converted pursuant to Part 4 of this Schedule 2;
- (D) any Notice of Redemption given under sub-paragraph (A) above shall specify the applicable Redemption Date, the particular Non-cumulative Convertible Dollar Preference Shares to be redeemed and the redemption price (specifying the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Non-cumulative Convertible Dollar Preference Shares to be redeemed will cease to accrue on redemption), and shall state the place or places at which documents of title in respect of such Non-cumulative Convertible Dollar Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Non-cumulative Convertible Dollar Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (E) subject to sub-paragraph (I) below, the provisions of this and the following sub-paragraph shall have effect in relation to Non-cumulative Convertible Dollar Preference Shares for the time being issued and registered in the Register of Members ("Registered Shares") and represented by certificates ("Certificates") and in relation to Non-cumulative Convertible Dollar Preference Shares which, in accordance with Article 52 of these presents, are for the time being issued and represented by a Warrant (as defined in the said Article 52) ("Bearer Shares").

Payments in respect of the amount due on redemption of a Registered Share shall be made by Dollar cheque drawn on a bank in London or in the City of New York or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a Dollar account maintained by the payee with a bank in London or in the City of New York. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any Non-cumulative Convertible Dollar Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Convertible Dollar Preference Shares to be converted pursuant to Part 4 of this Schedule 2) the Company shall within fourteen days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such Non-cumulative Convertible Dollar Preference Shares. Payment in respect of the amount due on redemption of a Bearer Share shall be made by Dollar cheque drawn on a bank in London or in the City of New York or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a Dollar account maintained by the payee with a bank in London or in the City of New York. Such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any Non-cumulative Convertible Dollar Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Convertible Dollar Preference Shares to be converted pursuant to Part 4 of this Schedule 2) the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date. All payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws;

- (F) as from the relevant Redemption Date the dividend on the Non-cumulative Convertible Dollar Preference Shares due for redemption shall cease to accrue except on any such Non-cumulative Convertible Dollar Preference Share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (E) above, payment of the redemption monies due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption monies. Such Non-cumulative Convertible Dollar Preference Share shall not be treated as having been redeemed until the redemption monies in question together with the accrued dividend thereon shall have been paid;
- (G) if the due date for the payment of the redemption monies on any Non-cumulative Convertible Dollar Preference Shares is not a Dollar Business Day then payment of such monies will be made on the next succeeding day which is a Dollar Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Dollar Business Day;
- (H) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (D) above in respect of the monies payable on redemption on such Registered Share or, as

the case may be, such Bearer Share, shall constitute an absolute discharge to the Company; and

- (I) subject as aftermentioned, the provisions of sub-paragraphs (E) and (F) above shall have effect in relation to Registered Shares which are in uncertificated form within the meaning of the Uncertificated Securities Regulations 1995 (as in force on the date of adoption of this Schedule 2) in the same manner as they have effect in relation to Registered Shares represented by Certificates, save that (i) any provision of the said paragraphs requiring presentation and surrender of a Certificate shall be satisfied in the manner prescribed or permitted by the said Regulations (or by any enactment or subordinate legislation which amends or supersedes those Regulations) or (subject to those Regulations or such enactment or subordinate legislation) in such manner as may from time to time be prescribed by the Directors), and (ii) the Company shall not be under any obligation to issue a fresh Certificate under sub-paragraph (E).

2.7 *Purchase*

Subject to the provisions of the Statutes and any other applicable laws, the Company may at any time and from time to time purchase any Non-cumulative Convertible Dollar Preference Shares upon such terms as the Directors shall determine provided that, in the case of Non-cumulative Convertible Dollar Preference Shares which are listed on the London Stock Exchange, the purchase price, exclusive of expenses and accrued dividends, shall not exceed (i) in the case of a purchase in the open market, or by tender (which shall be available alike to all holders of the Non-cumulative Convertible Dollar Preference Shares), the average of the closing middle market quotations of such Non-cumulative Convertible Dollar Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last ten dealing days preceding the date of purchase or (if higher), in the case of a purchase in the open market only, the market price on the date of purchase provided that such market price is not more than 105 per cent of such average and (ii) in the case of a purchase by private treaty, 120 per cent of the closing middle market quotation of such Non-cumulative Convertible Dollar Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last dealing day preceding the date of purchase: but so that this proviso shall not apply to any purchase of Non-cumulative Convertible Dollar Preference Shares made in the ordinary course of a business of dealing in securities.

2.8 *Conversion*

The Non-cumulative Convertible Dollar Preference Shares shall be convertible into Ordinary Shares in the manner set out in (and subject to the provisions of) Part 4 of this Schedule 2. The provisions of paragraph 2.6 of this Part 2 regarding redemption are without prejudice to any provisions in the said Part 4 providing for the effecting of conversion by means of redemption.

3. (a) Save with the written consent of the holders of three-quarters in nominal value of, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of, the Non-cumulative Convertible Dollar Preference Shares, the Directors shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such shares) in priority to the Non-cumulative Convertible Dollar Preference Shares.
- (b) The special rights attached to any series of Non-cumulative Convertible Dollar Preference Shares allotted or in issue shall not (unless otherwise provided by their

terms of issue) be deemed to be varied by the creation or issue of any New Shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu with or after such Non-cumulative Convertible Dollar Preference Shares. Any new shares ranking in some or all respects pari passu with such Non-cumulative Convertible Dollar Preference Shares may without their creation or issue being deemed to vary the special rights attached to any Non-cumulative Convertible Dollar Preference Share then in issue either carry rights identical in all respects with such Non-cumulative Convertible Dollar Preference Shares or any of them or carry rights differing therefrom in any respect, including, but without prejudice to the generality of the foregoing, in that:-

- (i) the rate or means of calculating the dividend may differ and the dividend may be cumulative or non-cumulative;
- (ii) the New Shares or any series thereof may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
- (iii) the New Shares may be denominated in Sterling or in any Foreign Currency;
- (iv) a premium may be payable on return of capital or there may be no such premium;
- (v) the New Shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable and if redeemable at the option of the Company, they may be redeemable at different dates and on different terms from those applying to the Non-cumulative Convertible Dollar Preference Shares; and
- (vi) the New Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company pari passu with or after such Non-cumulative Convertible Dollar Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

PART 3

Non-cumulative Convertible Euro Preference Shares

1. The Non-cumulative Convertible Euro Preference Shares are New Preference Shares. They shall rank after the Cumulative Preference Shares to the extent specified in Article 4 and this Schedule 2, and shall rank *pari passu* inter se and (save as aforesaid) with the Cumulative Preference Shares and with all other New Preference Shares. They shall confer the rights and be subject to the restrictions set out or referred to in this Part 3 of Schedule 2 and shall also confer such further rights (not being inconsistent with the rights set out or referred to in this Part 3) as may be attached by the Directors to such shares in accordance with this Part 3 prior to allotment. Whenever the Directors have power under this Part to determine any of the rights attached to any of the Non-cumulative Convertible Euro Preference Shares, the rights so determined need not be the same as those attached to the Non-cumulative Convertible Euro Preference Shares then allotted or in issue. The Non-cumulative Convertible Euro Preference Shares may be issued in one or more separate series, and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these presents.

2. Each Non-cumulative Convertible Euro Preference Share shall confer the following rights as to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings, redemption and conversion:

2.1 *Income*

The right (subject to the provisions of paragraph 2.2, if applicable) to a non-cumulative preferential dividend not exceeding a specified amount payable in Euro at such rate (which, in the case of any series allotted after 11th April 2001, may be fixed or variable and may be subject to recalculation at fixed intervals) on such dates (each a “dividend payment date”) in respect of such periods (each a “dividend period”) and on such other terms and conditions as may be determined by the Directors prior to allotment thereof. References in these presents to a “dividend” on the Non-cumulative Convertible Euro Preference Shares include a reference to each dividend in respect of each dividend period applicable thereto and references in this Part of the Schedule to dividend payment dates and dividend periods are to dividend payment dates and dividend periods in respect of the Non-cumulative Convertible Euro Preference Shares only. Such dividends shall be paid in priority to the payment of any dividends on the Ordinary Shares. The Non-cumulative Convertible Euro Preference Shares shall rank for dividend after the Cumulative Preference Shares, *pari passu* with the Non-cumulative Sterling Preference Shares, the Non-cumulative Dollar Preference Shares, the Category II Non-cumulative Dollar Preference Shares, all other Convertible Preference Shares and all other New Preference Shares expressed to rank *pari passu* therewith as regards participation in profits and otherwise in priority to any other share capital in the Company.

2.2 *Further provisions as to income*

All or any of the following provisions shall apply in relation to any particular Non-cumulative Convertible Euro Preference Shares if so determined by the Directors prior to allotment thereof:-

- (i) if, in the opinion of the Directors, the distributable profits of the Company are sufficient to cover the payment in full of dividends on the Non-cumulative Convertible Euro Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in

full, of all dividends stated to be payable on such date on any Cumulative Preference Share, then each such dividend shall be declared and paid in full;

- (ii) if, in the opinion of the Directors, the distributable profits of the Company are insufficient to cover the payment in full of dividends on the Non-cumulative Convertible Euro Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on or before such date on any Cumulative Preference Share, then dividends shall be declared by the Directors *pro rata* for the Non-cumulative Convertible Euro Preference Shares and such other New Preference Shares to the extent of the available distributable profits (if any) to the intent that the amount of dividend declared per share on each such Non-cumulative Convertible Euro Preference Share and other New Preference Share will bear to each other the same ratio as the dividends accrued per share on each such Non-cumulative Convertible Euro Preference Share and other New Preference Share bear to each other. If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;
- (iii) if, in the opinion of the Directors, the payment of any dividend on any Non-cumulative Convertible Euro Preference Shares would breach or cause a breach of the capital adequacy requirements of the Financial Services Authority (or any person or body to whom the banking supervision functions of the Financial Services Authority are transferred) applicable to the Company and/or any of its subsidiaries, then none of such dividend shall be declared or paid;
- (iv) subject to sub-paragraph (v) below, the Non-cumulative Convertible Euro Preference Shares shall carry no further right to participate in the profits of the Company and if and to the extent that any dividend or part thereof is on any occasion not paid for the reasons described in sub-paragraph (ii) or (iii) above, the holders of such shares shall have no claim in respect of such non-payment;
- (v) if any dividend or part thereof on any Non-cumulative Convertible Euro Preference Share is not payable for the reasons specified in sub-paragraphs (ii) or (iii) above and if they so resolve, the Directors may, subject to the Statutes, pay a special non-cumulative preferential dividend on the Non-cumulative Convertible Euro Preference Shares at a rate not exceeding €0.01 per share (but so that reference elsewhere in this Schedule 2 and in these presents to any dividend payable on any Non-cumulative Convertible Euro Preference Shares shall not be treated as including a reference to any such special dividend);
- (vi) if any date on which dividends are payable on Non-cumulative Convertible Euro Preference Shares is not a day on which TARGET is operating and banks in London are open for business, and on which foreign exchange dealings may be conducted in London (a "Euro Business Day"), then payment of the dividend payable on such date will be made on the succeeding Euro Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Euro Business Day; for these purposes "TARGET" means the Trans-European Real-Time Gross Settlement Express Transfer (TARGET) system;

- (vii) dividends payable on Non-cumulative Convertible Euro Preference Shares shall accrue from and to the dates determined by the Directors prior to allotment thereof, and the amount of dividend payable in respect of any period shorter than a full dividend period will be calculated on the basis of twelve 30 day months, a 360 day year and the actual number of days elapsed in such period;
- (viii) if any dividend stated to be payable on the Non-cumulative Convertible Euro Preference Shares on the most recent dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, no dividends may be declared on any other share capital of the Company (other than the Cumulative Preference Shares), and no sum may be set aside for the payment thereof, unless, on the date of declaration relative to any such payment, an amount equal to the dividend stated to be payable on the Non-cumulative Convertible Euro Preference Shares in respect of the then current dividend period is set aside for the payment in full of such dividend on the dividend payment date relating to the then current dividend period; and
- (ix) if any dividend stated to be payable on the Non-cumulative Convertible Euro Preference Shares on any dividend payment date has not been declared and paid in full, or if a sum has not been set aside to provide for such payment in full, the Company may not redeem or purchase or otherwise acquire for any consideration any other share capital of the Company, and may not set aside any sum nor establish any sinking fund for the redemption or purchase or other such acquisition thereof, until such time as dividends stated to be payable on the Non-cumulative Convertible Euro Preference Shares in respect of successive dividend periods together aggregating no less than twelve months shall thereafter have been declared and paid in full.

2.3 *Capital*

The right on a winding up or liquidation, voluntary or otherwise other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase by the Company of any shares of any class to receive in Euro out of the surplus assets of the Company available for distribution amongst the members:-

- (i) after payment of the arrears (if any) of the fixed cumulative preferential dividends stated to be payable on the Cumulative Preference Shares to the holders thereof in accordance with Article 4(B) FIRSTLY and pari passu with the holders of any other New Preference Shares expressed to rank pari passu therewith as regards participation in profits and in priority to the holders of the Ordinary Shares of the Company a sum equal to:-
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or liquidation but which is payable in respect of a period ending on or before such date; and
 - (B) any further amount of dividend payable in respect of the period from the preceding dividend payment date to the date of payment in accordance with this sub-paragraph (i);

but only to the extent that any such amount or further amount was, or would have been payable as a dividend in accordance with or pursuant to this Part of Schedule 2 (other than pursuant to this provision); and
- (ii) subject thereto, pari passu with the holders of the Cumulative Preference Shares and any other New Preference Shares expressed to rank pari passu therewith as regards

participation in surplus assets in priority to the holders of the Ordinary Shares of the Company, a sum equal to the amount paid up or credited as paid up on the Non-cumulative Convertible Euro Preference Shares (including any premium paid to the Company in respect thereof on issue).

If upon any such winding-up or liquidation, the amounts available for payment are insufficient to cover the amounts payable in full on the Cumulative Preference Shares, the Non-cumulative Convertible Euro Preference Shares and on any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in surplus assets, then the holders of the Cumulative Preference Shares, the Non-cumulative Convertible Euro Preference Shares and such other New Preference Shares will share rateably in the distribution of surplus assets (if any) in proportion to the full respective preferential amounts to which they are entitled. No Non-cumulative Convertible Euro Preference Share shall confer any right to participate in the surplus assets of the Company other than that set out in this paragraph 2.3.

2.4 *Receipt of Notices*

The right to have sent to the holder of each Non-cumulative Convertible Euro Preference Share (at the same time as the same are sent to the holders of Ordinary Shares) a copy of the Company's Annual Report and Accounts and Interim Financial Statement together with notice of any General Meeting of the Company at which such holder is entitled to attend and vote.

2.5 *Attendance and Voting at Meetings*

The right to attend at a General Meeting of the Company and to speak to or vote upon any Resolution proposed thereat in the following circumstances:-

- (i) in respect of a Resolution which is to be proposed at the Meeting either varying or abrogating any of the rights attached to the Non-cumulative Convertible Euro Preference Shares or proposing the winding up of the Company (and then in each such case only to speak to and vote upon any such Resolution);
- (ii) in circumstances where the dividend stated to be payable on the Non-cumulative Convertible Euro Preference Shares in respect of such number of dividend periods as the Directors shall determine prior to allotment thereof has not been declared and paid in full, and until such date as the Directors shall likewise determine; and
- (iii) in such other circumstances as the Directors may determine prior to allotment of the Non-cumulative Convertible Euro Preference Shares,

but not otherwise, together with the right, in such circumstances and on such terms, if any, as the Directors may determine prior to allotment of the Non-cumulative Convertible Euro Preference Shares, to seek to requisition a General Meeting of the Company. Whenever holders of Non-cumulative Convertible Euro Preference Shares are so entitled to vote on a Resolution, on a show of hands every such holder who is present in person, and every proxy present who has been duly appointed by any such holder, shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have such number of votes for each Non-cumulative Convertible Euro Preference Share held as may be determined by the Directors prior to allotment of such Non-cumulative Convertible Euro Preference Shares.

2.6 *Redemption*

Each series of Non-cumulative Convertible Euro Preference Shares shall, subject to the provisions of the Statutes, be redeemable at the option of the Company in accordance with the following provisions:-

- (A) the Company may, subject thereto, redeem on any Redemption Date (as hereinafter defined) all or some only of the Non-cumulative Convertible Euro Preference Shares by giving to the holders of the Non-cumulative Convertible Euro Preference Shares to be redeemed not less than 120 days' nor more than 150 days' prior notice in writing (a "Notice of Redemption") of the relevant Redemption Date. "Redemption Date" means, in relation to a Non-cumulative Convertible Euro Preference Share, any date which falls no earlier than five years and one day (or such longer period (if any) as may be fixed by the Directors prior to allotment of such Share) after the date of allotment of the Non-cumulative Convertible Euro Preference Share to be redeemed. The Company shall not be entitled (save with the consent of the relevant holder) to give a Notice of Redemption under this sub-paragraph (A) in respect of any share for which a Conversion Notice (as defined in paragraph 5 of Part 4 of this Schedule 2) has been given in accordance with that Part and not withdrawn;
- (B) there shall be paid on each Non-cumulative Convertible Euro Preference Share so redeemed, in Euro, the aggregate of the nominal amount thereof together with any premium paid on issue and together with arrears (if any) of dividends thereon (whether earned or declared or not) in respect of the period from the dividend payment date last preceding the Redemption Date to the Redemption Date;
- (C) in the case of a redemption of some only of the Non-cumulative Convertible Euro Preference Shares in any series, the Company shall for the purpose of determining the particular Non-cumulative Convertible Euro Preference Shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company, provided that there shall be excluded from such drawing any Non-cumulative Convertible Euro Preference Shares to be converted pursuant to Part 4 of this Schedule 2;
- (D) any Notice of Redemption given under sub-paragraph (A) above shall specify the applicable Redemption Date, the particular Non-cumulative Convertible Euro Preference Shares to be redeemed and the redemption price (specifying the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Non-cumulative Convertible Euro Preference Shares to be redeemed will cease to accrue on redemption), and shall state the place or places at which documents of title in respect of such Non-cumulative Convertible Euro Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Non-cumulative Convertible Euro Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (E) subject to sub-paragraph (I) below, the provisions of this and the following sub-paragraph shall have effect in relation to Non-cumulative Convertible Euro Preference Shares for the time being issued and registered in the Register of Members ("Registered Shares") and represented by certificates ("Certificates") and in relation to Non-cumulative Convertible Euro Preference Shares which, in accordance with Article 52 of these presents, are for the time being issued and represented by a Warrant (as defined in the said Article 52) ("Bearer Shares"). Payments in respect of

the amount due on redemption of a Registered Share shall be made by Euro cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a Euro account maintained by the payee with a bank in London. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any Non-cumulative Convertible Euro Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Convertible Euro Preference Shares to be converted pursuant to Part 4 of this Schedule 2) the Company shall within fourteen days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such Non-cumulative Convertible Euro Preference Shares. Payment in respect of the amount due on redemption of a Bearer Share shall be made by Euro cheque drawn on a bank in London or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a Euro account maintained by the payee with a bank in London. Such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any Non-cumulative Convertible Euro Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Convertible Euro Preference Shares to be converted pursuant to Part 4 of this Schedule 2) the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws;

- (F) as from the relevant Redemption Date the dividend on the Non-cumulative Convertible Euro Preference Shares due for redemption shall cease to accrue except on any such Non-cumulative Convertible Euro Preference Share in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (E) above, payment of the redemption monies due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption monies. Such Non-cumulative Convertible Euro Preference Share shall not be treated as having been redeemed until the redemption monies in question together with the accrued dividend thereon shall have been paid;
- (G) if the due date for the payment of the redemption monies on any Non-cumulative Convertible Euro Preference Shares is not a Euro Business Day then payment of such monies will be made on the next succeeding day which is a Euro Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Euro Business Day;
- (H) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (D) above in respect of the monies payable on redemption on such Registered Share or, as the case may be, such Bearer Share, shall constitute an absolute discharge to the Company; and

- (I) subject as aftermentioned, the provisions of sub-paragraphs (E) and (F) above shall have effect in relation to Registered Shares which are in uncertificated form within the meaning of the Uncertificated Securities Regulations 1995 (as in force on the date of adoption of this Schedule 2) in the same manner as they have effect in relation to Registered Shares represented by Certificates, save that (i) any provision of the said paragraphs requiring presentation and surrender of a Certificate shall be satisfied in the manner prescribed or permitted by the said Regulations (or by any enactment or subordinate legislation which amends or supersedes those Regulations) or (subject to those Regulations or such enactment or subordinate legislation) in such manner as may from time to time be prescribed by the Directors), and (ii) the Company shall not be under any obligation to issue a fresh Certificate under sub-paragraph (E).

2.7 *Purchase*

Subject to the provisions of the Statutes and any other applicable laws, the Company may at any time and from time to time purchase any Non-cumulative Convertible Euro Preference Shares upon such terms as the Directors shall determine provided that, in the case of Non-cumulative Convertible Euro Preference Shares which are listed on the London Stock Exchange, the purchase price, exclusive of expenses and accrued dividends, shall not exceed (i) in the case of a purchase in the open market, or by tender (which shall be available alike to all holders of the Non-cumulative Convertible Euro Preference Shares), the average of the closing middle market quotations of such Non-cumulative Convertible Euro Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last ten dealing days preceding the date of purchase or (if higher), in the case of a purchase in the open market only, the market price on the date of purchase provided that such market price is not more than 105 per cent of such average and (ii) in the case of a purchase by private treaty, 120 per cent of the closing middle market quotation of such Non-cumulative Convertible Euro Preference Shares on the London Stock Exchange (as derived from The London Stock Exchange Daily Official List) for the last dealing day preceding the date of purchase: but so that this proviso shall not apply to any purchase of Non-cumulative Convertible Euro Preference Shares made in the ordinary course of a business of dealing in securities.

2.8 *Conversion*

The Non-cumulative Convertible Euro Preference Shares shall be convertible into Ordinary Shares in the manner set out in (and subject to the provisions of) Part 4 of this Schedule 2. The provisions of paragraph 2.6 of this Part 3 regarding redemption are without prejudice to any provisions in the said Part 4 providing for the effecting of conversion by means of redemption.

3. (a) Save with the written consent of the holders of three-quarters in nominal value of, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of, the Non-cumulative Convertible Euro Preference Shares, the Directors shall not authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such shares) in priority to the Non-cumulative Convertible Euro Preference Shares.
- (b) The special rights attached to any series of Non-cumulative Convertible Euro Preference Shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any New Shares ranking as regards participation in the profits or assets of the Company in some or all

respects *pari passu* with or after such Non-cumulative Convertible Euro Preference Shares. Any new shares ranking in some or all respects *pari passu* with such Non-cumulative Convertible Euro Preference Shares may without their creation or issue being deemed to vary the special rights attached to any Non-cumulative Convertible Euro Preference Share then in issue either carry rights identical in all respects with such Non-cumulative Convertible Euro Preference Shares or any of them or carry rights differing therefrom in any respect, including, but without prejudice to the generality of the foregoing, in that:-

- (i) the rate or means of calculating the dividend may differ and the dividend may be cumulative or non-cumulative;
- (ii) the New Shares or any series thereof may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
- (iii) the New Shares may be denominated in Sterling or in any Foreign Currency;
- (iv) a premium may be payable on return of capital or there may be no such premium;
- (v) the New Shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable and if redeemable at the option of the Company, they may be redeemable at different dates and on different terms from those applying to the Non-cumulative Convertible Euro Preference Shares; and
- (vi) the New Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after such Non-cumulative Convertible Euro Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

PART 4

Conversion of Convertible Preference Shares

1. Each holder of Convertible Preference Share(s) shall be entitled in the manner set out in (and subject to the provisions of) this Part 4 to convert into fully paid Ordinary Shares such of his Convertible Preference Shares as have not, as at the Conversion Notice Date, either been redeemed or been the subject of a valid Notice of Redemption given under paragraph 2.6 of Part 1, 2 or 3 (as applicable) of this Schedule 2 and specifying a date on or before the Second Conversion Date as the Redemption Date.

2. For the purposes of this Part 4:
 - (A) the First Conversion Date shall be 25 London Stock Exchange dealing days prior to the Second Conversion Date and the Second Conversion Date shall be, in relation to any Convertible Preference Share, the date specified as such by the Directors prior to allotment thereof which falls not earlier than five years and one day after the issue of that share;

 - (B) the Conversion Notice Date shall be 120 days prior to the Second Conversion Date;

 - (C) the conversion right shall be exercisable by completion of a Conversion Notice (as defined in paragraph 5 below) submitted by holders of Convertible Preference Shares (“Converting Holders”) setting out the number of Convertible Preference Shares which are to be converted pursuant to such notice (the “Conversion Amount”) and lodging such Conversion Notice with the Company’s Registrar at any time during the period and in the manner referred to in paragraph 8 below;

 - (D) the Redemption Amount in relation to a Convertible Preference Share means the nominal amount thereof together with any premium paid on issue;

 - (E) The First Exchange Rate shall be the applicable Foreign Currency/Sterling exchange rate determined by the Broker (as defined below) as determination agent by taking the weighted average (rounded, if necessary, to the nearest £0.0001, £0.00005 being rounded upwards) of the spot rate of exchange for the purchase of the Foreign Currency in which the relevant Conversion Amount is denominated with Sterling as quoted at the request of the Broker by three major banks in the London foreign exchange market selected by the Broker at 11:00 a.m. (London time) on each day during the Broker Bid Period (as defined below) that such banks provide such quote to the Broker. The Second Exchange Rate shall be the applicable Foreign Currency/Sterling exchange rate determined by the Broker as determination agent by taking the weighted average (rounded, if necessary, to the nearest £0.0001, £0.00005 being rounded upwards) of the spot rate of exchange for the purchase of the Foreign Currency in which the relevant Conversion Amount is denominated with sterling as quoted at the request of the Broker by three major banks in the London foreign exchange market selected by the Broker at 11:00 a.m. (London time) on each day during the Calculation Period (as defined below) that such banks provide such request to the Broker. For the avoidance of doubt, references in this Part 4 to the conversion of any Conversion Price into the Foreign Currency in which the relevant Conversion Amount is denominated shall only apply in the case of a Conversion Amount denominated in Foreign Currency, and shall otherwise be disregarded.

Each Convertible Preference Share which is the subject of a Conversion Notice shall be subject to the cash settlement provisions of this Part 4. The Company will use its reasonable endeavours, to the extent permitted by applicable law, to arrange for the sale of the Ordinary

Shares into which such Convertible Preference Shares will convert so as to raise net cash proceeds of an amount equal to the aggregate Redemption Amount of such Convertible Preference Shares. The sale will be conducted by means of a process pursuant to which a broker selected by the Company (the “Broker”) will solicit bids for the relevant Ordinary Shares (the “Placing”). Such bids will be solicited during the period of the 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days before the First Conversion Date (the “Broker Bid Period”).

3. The number of Ordinary Shares to be issued on the conversion of each Convertible Preference Share shall be determined by dividing the Redemption Amount by the Conversion Price.
 - (A) In the case of Convertible Preference Shares which are converted on the First Conversion Date, the Conversion Price shall be established by reference to the bids received and accepted by the Broker pursuant to the Placing and shall be converted into the Foreign Currency in which the relevant Conversion Amount is denominated by reference to the First Exchange Rate (provided that the Company will not in any circumstances be obliged to issue Ordinary Shares in connection with the Placing at a price per share of less than either (aa) 95% of the weighted average closing price per Ordinary Share on the London Stock Exchange during the Broker Bid Period; or (bb) their nominal amount. The Directors shall specify prior to allotment of any particular series of Convertible Preference Shares which of (aa) or (bb) shall apply in respect of that series (the “Base Price”). The Conversion Price shall be the highest price per Ordinary Share at or above the Base Price at which the Broker is able to place Ordinary Shares so as to raise net cash proceeds (converted as aforesaid) of an amount equal to the aggregate Redemption Amount of the Conversion Amount.

On the First Conversion Date:

- (i) the Company shall issue to the Broker or as the Broker shall direct the Ordinary Shares so placed (and lodging by a Converting Holder of a Conversion Notice with the Company’s Registrar shall be deemed irrevocably to authorise and instruct the Directors to allot the Ordinary Shares arising on conversion of his Convertible Preference Shares pursuant to this Part 4 to the Broker or as the Broker shall direct);
 - (ii) the Broker shall collect the net cash proceeds of the Placing, exchange such proceeds at the First Exchange Rate into the currency in which the Convertible Preference Shares which have been converted are denominated and hold such proceeds in separate bank account(s) until the Second Conversion Date.
- (B) On the Second Conversion Date the net cash proceeds of the Placing (if any) held by the Broker (the “Total Cash Amount”) shall be paid to the Converting Holders such that each Converting Holder receives the Redemption Amount of his Conversion Amount, provided that if the Total Cash Amount falls short of the aggregate Redemption Amount of the Conversion Amount:
- (i) the Total Cash Amount shall be paid to the Converting Holders pro rata to their holding of Conversion Amount, (and the amount (if any) by which the cash paid or payable to a Converting Holder falls short of the aggregate Redemption Amount of his Conversion Amount shall be the “Remaining Redemption Amount”); and
 - (ii) the Company shall issue to each Converting Holder the whole number of Ordinary Shares (if any) calculated by dividing the Remaining Redemption

Amount by the Conversion Price, being 95% of the weighted average closing price per Ordinary Share on the London Stock Exchange during the period of the 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days before the Second Conversion Date (the ‘‘Calculation Period’’) (converted into Sterling at the Second Exchange Rate).

Fractions of Ordinary Shares will not be issued on conversion and no cash adjustment will be made. However, if more than one Convertible Preference Share held by any holder is to be converted and the Ordinary Shares arising on conversion are to be registered in the same name, the number of Ordinary Shares to be issued in respect thereof shall be calculated on the basis of the aggregate Redemption Amount of such Convertible Preference Shares.

If at the time that the Conversion Price or Base Price is to be calculated the Ordinary Shares are not listed and traded on the London Stock Exchange, references in this article to the London Stock Exchange shall be to such other exchange on which the Ordinary Shares are listed and traded.

4. The entitlement of holders of Convertible Preference Shares to convert such shares into fully paid Ordinary Shares shall be conditional on:-
 - (A) the Company, as at the First Conversion Date or the Second Conversion Date (as the case may be), having sufficient authorised but unissued share capital to issue the Ordinary Shares falling to be issued on such date in connection with the conversion of Convertible Preference Shares;
 - (B) the number of Ordinary Shares into which the Directors have been authorised pursuant to Section 80 of the 1985 Act to issue rights to convert being sufficient, as at the First Conversion Date or the Second Conversion Date (as the case may be) to allot the Ordinary Shares falling to be allotted on such date in connection with the conversion of Convertible Preference Shares or the Directors having been authorised prior to such date pursuant to section 80 to allot such shares (together with the condition set out in (A) above, the ‘‘Relevant Shareholder Approvals’’); and
 - (C) the delivery by the relevant Converting Holder of the Certificates (or an appropriate form of indemnity) for such Convertible Preference Shares as are the subject of a Certificated Conversion Notice (as defined in paragraph 6 below) or (as the case may be) the transfer of such Convertible Preference Shares as are the subject of an Uncertificated Conversion Notice (as defined in paragraph 7 below) into such account as may be specified in such notice.

The Company undertakes to review, prior to each Annual General Meeting (the ‘‘relevant Annual General Meeting’’), whether sufficient Relevant Shareholder Approvals would be available to permit the allotment and issue of three times the number of Ordinary Shares that would fall to be allotted and issued if all of the Convertible Preference Shares were to be converted into Ordinary Shares on a deemed conversion date (the ‘‘Deemed Conversion Date’’) which was 60 days prior to the relevant Annual General Meeting, using a deemed Conversion Price of 95% of the weighted average closing price per Ordinary Share on the London Stock Exchange during the 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days prior to such Deemed Conversion Date converted into the Foreign Currency in which the relevant Conversion Amount is denominated by reference to the First Exchange rate provided that for these purposes the Broker Bid Period shall be the 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days prior to such Deemed Conversion Date. If and to the extent that the Relevant Shareholder Approvals would be insufficient to permit the allotment and issue of three times the number of Ordinary Shares that would fall to be so allotted and issued, the Company undertakes to

propose such resolutions at the relevant succeeding Annual General Meeting, that, when approved, would permit the allotment and issue of three times the number of Ordinary Shares that would fall to be so allotted and issued.

If the Relevant Shareholder Approvals are insufficient to permit the allotment and issue of such number of Ordinary Shares as fall to be allotted and issued on the First Conversion Date or the Second Conversion Date in connection with the conversion of Convertible Preference Shares, the Company undertakes to convert the maximum number of Convertible Preference Shares which it is legally permitted to convert under the existing Relevant Shareholder Approvals pro rata to the respective Conversion Amounts of Converting Holders. Converting Holders may, within 60 days of the Second Conversion Date submit a written notice to the Company (the "Withdrawal Notice") setting out the number of Convertible Preference Shares which they wish to withdraw from the conversion procedure set out in this Part 4. Any Convertible Preference Shares so withdrawn will lose the right to convert into Ordinary Shares. In relation to any Convertible Preference Shares so withdrawn which are the subject of a Certificated Conversion Notice, the Company will as soon as practicable after receipt of the relevant Withdrawal Notice, return the relevant Certificates for such shares which were lodged with the relevant Conversion Notice. In relation to any Convertible Preference Shares so withdrawn which are the subject of an Uncertificated Conversion Notice, the Company will as soon as practicable after receipt of the relevant Withdrawal Notice, transfer the relevant Convertible Preference Shares into such account as may be specified by the relevant Converting Holder. Any Convertible Preference Shares which were the subject of a Conversion Notice and which could not be converted under the Relevant Shareholder Approvals in place as at the First Conversion Date and the Second Conversion Date and which are not the subject of a Withdrawal Notice shall be "Unconverted Preference Shares". The Company undertakes that for so long as Unconverted Preference Share(s) remain outstanding, such resolutions will be proposed at each subsequent Annual General Meeting that, when approved, would permit the conversion of the Unconverted Preference Shares. Following shareholder approval of the relevant resolutions, the Unconverted Preference Shares will be converted into Ordinary Shares and paragraphs 2 and 3 of this Part 4 shall apply to the conversion of such Unconverted Preference Shares subject to the following amendments:-

- (A) the Second Conversion Date shall be 60 London Stock Exchange dealing days after the granting of shareholder approval for the relevant resolutions; and
 - (B) the Conversion Price shall be converted into the Foreign Currency in which the relevant Conversion Amount is denominated by reference to the Second Exchange Rate, provided that for these purposes the Calculation Period shall be the 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days prior to the Second Conversion Date.
5. For the purposes of this Part 4, a Conversion Notice means, in relation to any Convertible Preference Shares that, as at the date of such notice, are Registered Shares (as defined in Part 1, 2 or 3 (as the case may be) of this Schedule 2), a Certificated Conversion Notice (as defined in paragraph 6 below) or, in relation to any Convertible Preference Shares that, as at the date of such notice, are Bearer Shares (as defined in Part 1, 2 or 3 (as the case may be) of this Schedule 2), an Uncertificated Conversion Notice (as defined in paragraph 7 below).
 6. In relation to any Convertible Preference Shares that, as at the date of the relevant Conversion Notice are Registered Shares, the right to convert shall be exercised if the registered holder of any such Convertible Preference Shares, shall have delivered to the Company's Registrar, at any time during the period referred to in paragraph 8 below, a duly signed and completed Conversion Notice in such form as may from time to time be prescribed by the Directors (and

obtainable from the Company's Registrar) (a "Certificated Conversion Notice") together with the Certificate for such shares (or an appropriate form of indemnity).

7. In relation to any Convertible Preference Shares that, as at the date of the relevant Conversion Notice, are Bearer Shares, the right to convert shall be exercised if an Uncertificated Conversion Notice is received as referred to below at any time during the period referred to in paragraph 8 below. For these purposes, an Uncertificated Conversion Notice shall mean an instruction and/or notification received by the Company or such person as it may require in such form and having such effect as may in each case from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system) and details of which shall be obtainable from the Company's Registrar. Without prejudice to the generality of the foregoing, the form of Conversion Notice referred to above may be such as to require the holder of the Convertible Preference Shares concerned to transfer such Convertible Preference Shares into such account as may be specified by the Company in the Uncertificated Conversion Notice.
8. The period referred to in paragraphs 6 and 7 above for the delivery of a Conversion Notice is the period falling not less than 90 and not more than 120 days prior to the Second Conversion Date. Unless the Directors otherwise determine in any case or cases, a Conversion Notice once delivered shall be irrevocable (save by means of a valid Withdrawal Notice given pursuant to paragraph 4).
9. The following provisions shall apply to conversion of the Convertible Preference Shares:-
 - (A) conversion may be effected in such manner as the Directors shall, subject to the requirements of applicable law and the provisions hereof, from time to time determine and, without prejudice to the generality of the foregoing, may be effected:
 - (aa) by the redemption of Convertible Preference Shares on the relevant Conversion Date for the Redemption Amount (converted into Sterling by reference to the rate which the Directors determine on the First Conversion Date in the case of Convertible Preference Shares converted on the First Conversion Date and on the Second Conversion Date in the case of Convertible Preference Shares converted on the Second Conversion Date to be the appropriate rate for the purchase of Sterling with the currency in which the relevant Redemption Amount is denominated) and the application of the redemption moneys on behalf of the holder of the Convertible Preference Shares so redeemed as herein provided. In the case of a conversion effected by means of the redemption of Convertible Preference Shares, the Directors may effect redemption of the relevant Convertible Preference Shares out of profits of the Company which would otherwise be available for dividend, out of the proceeds of a fresh issue of shares or in any other manner for the time being permitted by law. In the case of redemption out of profits, the Directors shall apply the Redemption Amount (converted into Sterling as aforesaid) in the name of the holder of the Convertible Preference Shares to be converted in subscribing for the appropriate number of Ordinary Shares as determined in accordance with the provisions hereof at such premium per Ordinary Share as shall represent the amount (if any) by which the aggregate Redemption Amount (converted into Sterling as aforesaid) exceeds the aggregate nominal amount of the Ordinary Shares to which the holder is so entitled divided by the number of such Ordinary Shares. In the case of redemption out of the proceeds of a fresh issue of shares, the Directors may arrange for the issue of the appropriate number of Ordinary Shares to the secretary of the Company or any other person selected by the Directors on terms that such person will subscribe and pay, as agent on the holder's behalf, for such shares at such

premium per Ordinary Share as shall represent the amount (if any) by which the aggregate Redemption Amount (converted into Sterling as aforesaid) exceeds the aggregate nominal amount of the Ordinary Shares to which the holder is so entitled divided by the number of such Ordinary Shares (and such person shall be deemed to have authority to borrow for such purpose) and, in any such case, the Conversion Notice given by or relating to a holder of the relevant Convertible Preference Shares shall be deemed irrevocably to authorise and instruct the Directors to apply the Redemption Amount (converted into Sterling as aforesaid) in payment to the holder's agent, who shall be entitled to retain the same for his own benefit without being accountable therefor to the holder. In relation to any Convertible Preference Shares which at the date of the relevant Conversion Notice are Bearer Shares, and which are to be redeemed in accordance with this paragraph 9(A)(aa) the Directors shall be entitled in their absolute discretion to determine the procedures for the redemption and cancellation of such Convertible Preference Shares (subject always to the facilities and requirements of the relevant system concerned and to the redemption on the relevant Conversion Date of the Convertible Preference Shares concerned) and the provisions of this paragraph shall apply mutatis mutandis in respect of such redemption; or

(bb) by means of a capitalisation issue and consolidation. In that case the requisite capitalisation issue and consolidation may be effected pursuant to the authority conferred by the passing of the resolution which created the Convertible Preference Shares, by the Company capitalising from profits or reserves (including any share premium account or capital redemption reserve) such number of new Ordinary Shares as shall bring the total nominal amount of the Convertible Preference Shares (converted into sterling by reference to the rate which the Directors determine on the First Conversion Date in the case of Convertible Preference Shares converted on the First Conversion Date and on the Second Conversion Date in the case of Convertible Preference Shares converted on the Second Conversion Date to be the appropriate rate for the purchase of Sterling with the currency in which the relevant Redemption Amount is denominated) and the new Ordinary Shares to at least the total nominal amount of the Ordinary Shares into which the Convertible Preference Shares will convert on the relevant Conversion Date, consolidating all the relevant shares into one share (the "Consolidated Share") and sub-dividing the Consolidated Share into the number of Ordinary Shares arising from the conversion of the Convertible Preference Shares. The balance of such sub-divided share (including any fraction) shall be non-voting deferred shares of such nominal amount as the Directors may determine ("Non-Voting Deferred Shares"), shall be certificated shares and shall have the following rights and restrictions:-

- (1) on a winding-up or other return of capital, the Non-Voting Deferred Shares shall entitle the holders of the shares only to payment of the amounts paid up on those shares, after repayment to the holders of the Ordinary Shares of the nominal amount paid up on the Ordinary Shares held by them respectively and the payment of £0.01 on each Ordinary Share;
- (2) the Non-Voting Deferred Shares shall not entitle the holders of the shares to the payment of any dividend or to receive notice of or to attend or vote at any general meeting of the Company;

- (3) the Non-Voting Deferred Shares shall not, save as provided in sub-paragraph (4) below, be transferable;
 - (4) such conversion shall be deemed to confer irrevocable authority on the Company to appoint any person to execute on behalf of the holders of any Non-Voting Deferred Shares an instrument of transfer of the shares, and/or an agreement to transfer the shares, to such person or persons as the Company may determine as a custodian of the shares or to purchase or to cancel the shares in accordance with the provisions of the Statutes in any such case for not more than £0.01 for all the shares being transferred, purchased or cancelled (to be paid to such one of the holders as may be selected by lot) without obtaining the sanction of the holder or holders of the shares, and pending such transfer or purchase or cancellation to retain the certificate for such Non-Voting Deferred Shares; and
 - (5) the Company may at its option at any time after the creation of any Non-Voting Deferred Shares redeem all of those shares then in issue at a price not exceeding £0.01 for all the shares redeemed at any one time (to be paid to such one of the holders as may be selected by lot), upon giving the holders of the Non-Voting Deferred Shares not less than 28 days' previous notice in writing of its intention so to do, fixing a time and place for the redemption. The Non-Voting Deferred Shares will not be listed on the London Stock Exchange. Upon or after the redemption of any Non-Voting Deferred Shares pursuant to this sub-paragraph (bb) the Directors may pursuant to the authority conferred by the passing of the resolution which created the Convertible Preference Shares consolidate and/or sub-divide and/or convert the authorised Non-Voting Deferred Share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class or into unclassified shares of the same nominal amount (as nearly as may be) as the shares of such class or into unclassified shares of the same nominal amount as the Non-Voting Deferred Shares;
- (B) the preferential dividend on Convertible Preference Shares which converted pursuant to this Part 4 shall cease to accrue with effect from the First Conversion Date in the case of Convertible Preference Shares converted on such date and with effect from the Second Conversion Date in the case of Convertible Preference Shares converted on such date. Ordinary Shares arising on conversion will be allotted and registered as of the First Conversion Date in the case of Ordinary Shares arising from Convertible Preference Shares converted on such date and as of the Second Conversion Date in the case of Ordinary Shares arising from Convertible Preference Shares converted on such date, in each case to and in the name of the holder of the relevant Convertible Preference Shares or, subject to paragraph 3(A)(i) of this Part 4, his nominee and shall rank *pari passu* with the Ordinary Shares in issue on such Conversion Date except that the Ordinary Shares so allotted will not rank for any dividend or other distribution which has been announced, declared, recommended or resolved prior to such Conversion Date by the Directors or by the Company in general meeting to be paid or made, if the record date for such dividend or other distribution is on or prior to such Conversion Date or (in any other case) if and so far as an adjustment relating to the dividend, distribution or right has become effective;

- (C) unless the Directors otherwise determine, or unless the Uncertificated Securities Regulations and/or the requirements of the relevant system otherwise require, the Ordinary Shares arising on conversion of any Convertible Preference Shares shall be or shall be issued (as appropriate) as certificated shares (where the Convertible Preference Shares converted were, on the date of the relevant Conversion Notice, Registered Shares or where the relevant Converting Holder has not specified a Crest account for this purpose in the relevant Uncertificated Conversion Notice) or as uncertificated shares (where the Convertible Preference Shares converted were, on the date of the relevant Conversion Notice, uncertificated shares and the relevant Converting Holder has specified a Crest account for this purpose in the relevant Uncertificated Conversion Notice), provided that if the Company is unable under the facilities and requirements of the relevant system to issue Ordinary Shares in respect of the person entitled thereto in uncertificated form, such shares shall be issued as certificated shares; and
- (D) the Company shall procure that there shall be despatched or made free of charge (but uninsured and at the risk of the holder or the person entitled thereto, or the first-named thereof, as the case may be):-
- (aa) a certificate in respect of Ordinary Shares arising on conversion which are, in accordance with sub-paragraph (C) above, certificated shares, and a new certificate for any unconverted Convertible Preference Shares comprised in any share certificate surrendered by the holder, not later than 28 days after the relevant Conversion Date; and
- (bb) payment in respect of the accrued preferential dividend on the Convertible Preference Shares converted, on the payment date in respect of such dividend next following the relevant Conversion Date (unless such Conversion Date is also a dividend payment date, in which case on such dividend payment date).
- (E) For the purposes of this paragraph 9, whether any Convertible Preference Shares are certificated shares or uncertificated shares on the relevant Conversion Date shall be determined by reference to the register of members as at 12.01 a.m. on the relevant Conversion Date or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.
- (F) The Company shall use reasonable endeavours to procure that the Ordinary Shares arising on conversion of Convertible Preference Shares are admitted to the Official List of The London Stock Exchange at the earliest practicable date following issue and allotment of such.

SCHEDULE 3

Non-Cumulative Category II Convertible Sterling Preference Shares

1. The Non-cumulative Category II Convertible Sterling Preference Shares are New Preference Shares. They shall rank after the Cumulative Preference Shares to the extent specified in Article 4 and this Schedule 3, and shall rank *pari passu inter se* and (save as aforesaid) with the Cumulative Preference Shares and with all other New Preference Shares. They shall confer the rights and be subject to the restrictions set out or referred to in this Schedule 3. The Non-cumulative Category II Convertible Sterling Preference Shares may be issued in one or more separate series, and each series shall be identified in such manner as the Directors may determine without any such determination or identification requiring any alteration to these presents.
2. Each Non-cumulative Category II Convertible Sterling Preference Share shall confer the following rights as to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings, redemption and conversion:

2.1 Income

The right (subject to the provisions of paragraph 2.2, if applicable) to a non-cumulative preferential dividend at nine per cent per annum, accruing daily, payable twice yearly on 31 March and 30 September (each a "dividend payment date" and each such period being a "dividend period") (whether earned or declared or not) with the first dividend payment date being 31 March 2000. References in these presents to a "dividend" on the Non-cumulative Category II Convertible Sterling Preference Shares include a reference to each dividend in respect of each dividend period applicable thereto and references in this Schedule to dividend payment dates and dividend periods are to dividend payment dates and dividend periods in respect of the Non-cumulative Category II Convertible Sterling Preference Shares only. Such dividends shall be paid in priority to the payment of any dividends on the Ordinary Shares. The Non-cumulative Category II Convertible Sterling Preference Shares shall rank for dividend after the Cumulative Preference Shares, *pari passu* with the Non-cumulative Sterling Preference Shares, the Non-cumulative Dollar Preference Shares, the Category II Non-cumulative Dollar Preference Shares, all other Convertible Preference Shares and all other New Preference Shares expressed to rank *pari passu* therewith as regards participation in profits and otherwise in priority to any other share capital in the Company.

2.2 Further provisions as to income

The following provisions shall apply:

- (i) if, in the opinion of the Directors, the distributable profits of the Company are sufficient to cover the payment in full of dividends on the Non-cumulative Category II Convertible Sterling Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on such date on any Cumulative Preference Share, then each such dividend shall be paid in full;
- (ii) if, in the opinion of the Directors, the distributable profits of the Company are insufficient to cover the payment in full of dividends on the Non-cumulative Category II Convertible Sterling Preference Shares on any dividend payment date and also the payment in full of all other dividends stated to be payable on such date on

any other New Preference Share expressed to rank *pari passu* therewith as regards participation in profits, after payment in full, or the setting aside of a sum to cover the payment in full, of all dividends stated to be payable on or before such date on any Cumulative Preference Share, then dividends shall be paid *pro rata* for the Non-cumulative Category II Convertible Sterling Preference Shares and such other New Preference Shares to the extent of the available distributable profits (if any) to the intent that the amount of dividend paid per share on each such Non-cumulative Category II Convertible Sterling Preference Share and other New Preference Share will bear to each other the same ratio as the dividends accrued per share on each such Non-cumulative Category II Convertible Sterling Preference Share and other New Preference Share bear to each other. If it shall subsequently appear that any such dividend which has been paid should not, in accordance with the provisions of this sub-paragraph, have been so paid, then provided the Directors shall have acted in good faith, they shall not incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made;

- (iii) if, in the opinion of the Directors, the payment of any dividend on any Non-cumulative Category II Convertible Sterling Preference Shares would breach or cause a breach of the capital adequacy requirements of the Financial Services Authority (or any person or body to whom the banking supervision functions of the Financial Services Authority are transferred) applicable to the Company and/or any of its subsidiaries, then none of such dividend shall be declared or paid;
- (iv) subject to sub-paragraph (v) below, the Non-cumulative Category II Convertible Sterling Preference Shares shall carry no further right to participate in the profits of the Company and if and to the extent that any dividend or part thereof is on any occasion not paid for the reasons described in sub-paragraph (ii) or (iii) above, the holders of such shares shall have no claim in respect of such non-payment;
- (v) if any date on which dividends are payable on Non-cumulative Category II Convertible Sterling Preference Shares is not a day on which banks in London are open for business (*a Sterling Business Day*), then payment of the dividend payable on such date will be made on the succeeding Sterling Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Sterling Business Day;
- (vi) dividends payable on Non-cumulative Category II Convertible Sterling Preference Shares shall accrue from and including the date of issue thereof, and the amount of dividend payable in respect of any period shorter than a full dividend period will be calculated on the basis of twelve 30 day months, a 360 day year and the actual number of days elapsed in such period;
- (vii) if any dividend stated to be payable on the Non-cumulative Category II Convertible Sterling Preference Shares on the most recent dividend payment date has not been paid in full, no dividends may be paid on any other share capital of the Company (other than the Cumulative Preference Shares); and
- (viii) if any dividend stated to be payable on the Non-cumulative Category II Convertible Sterling Preference Shares on any dividend payment date has not been paid in full, or if a sum has not been set aside to provide for such payment in full, the Company may not redeem or purchase or otherwise acquire for any consideration any other share capital of the Company, and may not set aside any sum nor establish any sinking fund for the redemption or purchase of other such acquisition thereof, until such time as dividends stated to be payable on the Non-cumulative Category II Convertible

Sterling Preference Shares in respect of successive dividend periods together aggregating no less than twelve months shall thereafter have been declared and paid in full.

2.3 Capital

Subject to sub-paragraph 2.3(iii), the right on a winding up or liquidation, voluntary or otherwise other than (unless otherwise provided by the terms of issue of such share) a redemption or purchase by the Company of any shares of any class to receive in Sterling out of the surplus assets of the Company available for distribution amongst the members:

- (i) after payment of the arrears (if any) of the fixed cumulative preferential dividends stated to be payable on the Cumulative Preference Shares to the holders thereof in accordance with Article 4(B) FIRSTLY and *pari passu* with the holders of any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in profits and in priority to the holders of the Ordinary Shares of the Company a sum equal to:
 - (A) the amount of any dividend which is due for payment after the date of commencement of the winding up or liquidation but which is payable in respect of a period ending on or before such date; and
 - (B) any further amount of dividend payable in respect of the period from the preceding dividend payment date to the date of payment in accordance with this sub-paragraph (i);

but only to the extent that any such amount or further amount was, or would have been payable as a dividend in accordance with or pursuant to this Schedule 3 (other than pursuant to this provision); and
- (ii) subject thereto, *pari passu* with the holders of the Cumulative Preference Shares and any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in surplus assets in priority to the holders of the Ordinary Shares of the Company, a sum equal to the amount paid up or credited as paid up on the Non-cumulative Category II Convertible Sterling Preference Shares (including any premium paid to the Company in respect thereof on issue).

If upon any such winding-up or liquidation, the amounts available for payment are insufficient to cover the amounts payable in full on the Cumulative Preference Shares, the Non-cumulative Category II Convertible Sterling Preference Shares and on any other New Preference Shares expressed to rank *pari passu* therewith as regards participation in surplus assets, then the holders of the Cumulative Preference Shares, the Non-cumulative Category II Convertible Sterling Preference Shares and such other New Preference Shares will share rateably in the distribution of surplus assets (if any) in proportion to the full respective preferential amounts to which they are entitled. No Non-cumulative Category II Convertible Sterling Preference Share shall confer any right to participate in the surplus assets of the Company other than that set out in this paragraph 2.3.

- (iii) If, whilst any Non-cumulative Category II Convertible Sterling Preference Shares remain in issue, an effective resolution is passed or an order of a court of competent jurisdiction is made for the winding-up of the Company, then (unless it be for the purpose of a solvent reconstruction, amalgamation, merger or other similar arrangement) the Company will forthwith give notice in writing to the holders of any Non-cumulative Category II Convertible Sterling Preference Shares that such a

resolution has been passed or such an order has been made. Any holder of any Non-cumulative Category II Convertible Sterling Preference Shares shall be entitled at any time within three months after the date on which such notice is published to elect by notice in writing delivered to the Company to be treated as if he had, immediately before the date of the passing of such resolution or the making of such order exercised his right to convert in respect of some or all (as specified in such latter notice) of any Non-cumulative Category II Convertible Sterling Preference Shares held by him pursuant to the procedure for conversion set out in paragraph 2.7 below and by reference to a deemed Conversion Date being the date of the passing of such resolution or the making of such order and he shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the Ordinary Shareholders, such a sum, if any, which he would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such exercise.

2.4 Receipt of Notices

The right to have sent to the holder of each Non-cumulative Category II Convertible Sterling Preference Share (at the same time as the same are sent to the holders of Ordinary Shares) a copy of the Company's Annual Report and Accounts and Interim Financial Statement and any other document sent to holders of Ordinary Shares.

2.5 Attendance and Voting at Meetings

The right to attend at a General Meeting of the Company and to speak to or vote upon any Resolution proposed thereat in the following circumstances:

- (i) in respect of a Resolution which is to be proposed at the Meeting either varying or abrogating any of the rights attached to the Non-cumulative Category II Convertible Sterling Preference Shares or proposing the winding up of the Company (and then in each such case only to speak to and vote upon any such Resolution); and
- (ii) in circumstances where, at the date of the notice convening the relevant meeting, the dividend stated to be payable on the Non-cumulative Category II Convertible Sterling Preference Shares in respect of the last completed dividend period has not been paid in full, and until the next dividend payment date when the dividend in respect of a dividend period is paid in full

but not otherwise, together with the right, in such circumstances and on such terms, if any, as the Directors may determine prior to allotment of the Non-cumulative Category II Convertible Sterling Preference Shares, to seek to requisition a General Meeting of the Company. Whenever holders of Non-cumulative Category II Convertible Sterling Preference Shares are so entitled to vote on a Resolution, on a show of hands every such holder who is present in person, and every proxy present who has been duly appointed by any such holder, shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have such number of votes for each Non-cumulative Category II Convertible Sterling Preference Share held he would have had if that share had been converted into Ordinary Shares on the date of the notice of the meeting pursuant to the conversion procedure set out in paragraph 2.7 of this Schedule 3 and at a price per Ordinary Share calculated on the basis that the date of the notice of the meeting was a Conversion Date.

2.6 Redemption

Each series of Non-cumulative Category II Convertible Sterling Preference Shares shall, subject to the provisions of the Statutes, and subject, where applicable, to the prior consent of

the Financial Services Authority, be redeemable at the option of the Company in accordance with the following provisions:

- (A) the Company may, subject thereto, redeem on any Redemption Date (as hereinafter defined) all or some only of the Non-cumulative Category II Convertible Sterling Preference Shares by giving to the holders of the Non-cumulative Category II Convertible Sterling Preference Shares to be redeemed not less than 7 days' nor more than 14 days' prior notice in writing (a *Notice of Redemption*) of the relevant Redemption Date. *Redemption Date* means in relation to a Non-cumulative Category II Convertible Sterling Preference Share, any date which falls no earlier than 30 days after the date of allotment of the Non-cumulative Category II Convertible Sterling Preference Share to be redeemed. The Company shall not be entitled (save with the consent of the relevant holder) to give a Notice of Redemption under this sub-paragraph (A) in respect of any share for which a Conversion Notice (as defined in paragraph 2.7(v) of this Schedule 3) has been given in accordance with that Part and not withdrawn;
- (B) there shall be paid on each Non-cumulative Category II Convertible Sterling Preference Share so redeemed in Sterling, the aggregate of the nominal amount thereof together with any premium paid on issue and together with accruals (if any) of dividends thereon in respect of the period from the dividend payment date last preceding the Redemption Date (whether earned or declared or not) to the Redemption Date;
- (C) in the case of a redemption of some only of the Non-cumulative Category II Convertible Sterling Preference Shares in any series, the Company shall for the purpose of determining the particular Non-cumulative Category II Convertible Sterling Preference Shares to be redeemed cause a drawing to be made at the Office or such other place as the Directors may approve in the presence of the Auditors for the time being of the Company, provided that there shall be excluded from such drawing any Non-cumulative Category II Convertible Sterling Preference Shares to be converted pursuant to paragraph 2.7 of this Schedule 3;
- (D) any Notice of Redemption given under sub-paragraph (A) above shall specify the applicable Redemption Date, the particular Non-cumulative Category II Convertible Sterling Preference Shares to be redeemed and the redemption price (specifying the amount of the accrued and unpaid dividend per share to be included therein and stating that dividends on the Non-cumulative Category II Convertible Sterling Preference Shares to be redeemed will cease to accrue on redemption), and shall state the place or places at which documents of title in respect of such Non-cumulative Category II Convertible Sterling Preference Shares are to be presented and surrendered for redemption and payment of the redemption monies is to be effected. Upon such Redemption Date, the Company shall redeem the particular Non-cumulative Category II Convertible Sterling Preference Shares to be redeemed on that date subject to the provisions of this paragraph and of the Statutes. No defect in the Notice of Redemption or in the giving thereof shall affect the validity of the redemption proceedings;
- (E) subject to sub-paragraph (I) below, the provisions of this and the following sub-paragraph shall have effect in relation to Non-cumulative Category II Convertible Sterling Preference Shares for the time being issued and registered in the Register of Members (*Registered Shares*) and represented by certificates (*Certificates*) and in relation to Non-cumulative Category II Convertible Sterling Preference Shares which, in accordance with Article 52 of these presents, are for the time being issued and represented by a Warrant (as defined in the said Article 52) (*Bearer Shares*).

Payments in respect of the amount due on redemption of a Registered Share shall be made by Sterling cheque drawn on a bank in London or upon the request of the holder or joint holders not later than the date specified for the purpose in the Notice of Redemption by transfer to a Sterling account maintained by the payee with a bank in London. Such payment will be against presentation and surrender of the relative Certificate at the place or one of the places specified in the Notice of Redemption and if any Certificate so surrendered includes any Non-cumulative Category II Convertible Sterling Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Category II Convertible Sterling Preference Shares to be converted pursuant to paragraph 2.7 of this Schedule 3) the Company shall within fourteen days thereafter issue to the holder, free of charge, a fresh Certificate in respect of such Non-cumulative Category II Convertible Sterling Preference Shares. Payment in respect of the amount due on redemption of a Bearer Share shall be made by Sterling cheque drawn on a bank in London or upon the request of the holder not later than the date specified for the purpose in the Notice of Redemption by transfer to a Sterling account maintained by the payee with a bank in London. Such payments will be made against presentation and surrender of the Warrant and all unmatured dividend coupons and talons (if any) at the place or the places specified in the Notice of Redemption. Upon the relevant Redemption Date all unmatured dividend coupons and any talon for additional dividend coupons appertaining thereto (whether or not returned) shall become void and no payment will be made in respect thereof. If the Warrant so surrendered represents any Non-cumulative Category II Convertible Sterling Preference Shares not to be redeemed on the relevant Redemption Date (other than Non-cumulative Category II Convertible Sterling Preference Shares to be converted pursuant to paragraph 2.7 of this Schedule 3) the Company shall issue, free of charge, a fresh Warrant representing such Bearer Shares which are not to be redeemed on such Redemption Date.

All payments in respect of redemption monies will in all respects be subject to any applicable fiscal or other laws;

- (F) as from the relevant Redemption Date the dividend on the Non-cumulative Category II Convertible Sterling Preference Shares due for redemption shall cease to accrue except on any such Non-cumulative Category II Convertible Sterling Preference Shares in respect of which, upon the due surrender of the Certificate or, as the case may be, the Warrant and all unmatured dividend coupons and talons (if any) in respect thereof, in accordance with sub-paragraph (E) above, payment of the redemption monies due on such Redemption Date shall be improperly withheld or refused, in which case such dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant Redemption Date to the date of payment of such redemption monies. Such Non-cumulative Category II Convertible Sterling Preference Share shall not be treated as having been redeemed until the redemption monies in question together with the accrued dividend thereon shall have been paid;
- (G) if the due date for the payment of the redemption monies on any Non-cumulative Category II Convertible Sterling Preference Shares is not a Sterling Business Day then payment of such monies will be made on the next succeeding day which is a Sterling Business Day and without any interest or other payment in respect of such delay unless such day shall fall within the next calendar month whereupon such payment will be made on the preceding Sterling Business Day;
- (H) the receipt of the holder for the time being of any Registered Share (or in the case of joint holders the receipt of any one of them) and the receipt of the person delivering any Warrant to the place or one of the places specified pursuant to sub-paragraph (D)

above in respect of the monies payable on redemption on such Registered Share or, as the case may be, such Bearer Share, shall constitute an absolute discharge to the Company; and

- (I) subject as aftermentioned, the provisions of sub-paragraph (E) and (F) above shall have effect in relation to Registered Shares which are in uncertificated form within the meaning of the Uncertificated Securities Regulations 1995 (as in force on the date of adoption of this Schedule 3) in the same manner as they have effect in relation to Registered Shares represented by Certificates, save that (i) any provision of the said paragraphs requiring presentation and surrender of a Certificate shall be satisfied in the manner prescribed or permitted by the said Regulations (or by any enactment or subordinate legislation which amends or supersedes those Regulations) or (subject to those Regulations or such enactment or subordinate legislation) in such manner as may from time to time be prescribed by the Directors), and (ii) the Company shall not be under any obligation to issue a fresh Certificate under sub-paragraph (E).

2.7 Conversion

- (i) Each holder of Non-cumulative Category II Convertible Sterling Preference Shares shall be entitled in the manner set out in (and subject to the provisions of) this paragraph 2.7 to convert into fully paid Ordinary Shares such of his Non-cumulative Category II Convertible Sterling Preference Shares as have not, as at the last date, prior to the relevant Conversion Date, for the provision of notice of conversion under sub-paragraph (viii) below, either been redeemed or been the subject of a valid Notice of Redemption given under paragraph 2.6 of this Schedule 3.
- (ii) If, as at the Final Conversion Date, any of the Non-cumulative Category II Convertible Sterling Preference Shares have not been either redeemed, the subject of a valid Notice of Redemption given under paragraph 2.6 of this Schedule 3 or converted into Ordinary Shares, then all such Non-cumulative Category II Convertible Sterling Preference Shares will convert into fully paid Ordinary Shares in the manner set out in (and subject to the provisions of) this paragraph 2.7.
- (iii) For the purpose of this paragraph 2.7:
- (A) the Conversion Dates shall be 30 September 2001, 31 March 2002, 30 September 2002 and the Final Conversion Date (which is also for the avoidance of doubt a Conversion Date) shall be 31 March 2003;
- (B) the conversion right referred to in sub-paragraph (i) above shall be exercisable by completion of a Conversion Notice (as defined in sub-paragraph (v) below) submitted by holders of Non-cumulative Category II Convertible Sterling Preference Shares (*Converting Holders*) setting out the number of Non-cumulative Category II Convertible Sterling Preference Shares which are to be converted pursuant to such notice (the *Conversion Amount*) and lodging such Conversion Notice with the Company's Registrar at any time during the period and in the manner referred to in sub-paragraph (viii) below;
- (C) the Redemption Amount in relation to a Non-cumulative Category II Convertible Sterling Preference Share means the nominal amount thereof together with any premium paid on issue;
- (iv) The number of Ordinary Shares to be issued on the conversion of each Non-cumulative Category II Convertible Sterling Preference Share shall be determined by

dividing the Redemption Amount by the Conversion Price. In the case of Non-cumulative Category II Convertible Sterling Preference Shares which are converted on any of the Conversion Dates, the Conversion Price shall be the higher of:

- (A) the weighted average closing price per Ordinary Share on the London Stock Exchange during the period of the 20 London Stock Exchange dealing days (on which the trading in the Ordinary Shares is not fully suspended) ending five London Stock Exchange dealing days before the relevant Conversion Date; and
- (B) £5.

Fractions of Ordinary Shares will not be issued on conversion and no cash adjustment will be made. However, if more than one Non-cumulative Category II Sterling Preference Share held by any holder is to be converted and the Ordinary Shares arising on conversion are to be registered in the same name, the number of Ordinary Shares to be issued in respect thereof shall be calculated on the basis of the aggregate Redemption Amount of such Non-cumulative Category II Sterling Preference Shares.

If at the time that the Conversion Price is to be calculated the Ordinary Shares are not listed and traded on the London Stock Exchange, references in this article to the London Stock Exchange shall be to such other exchange on which the Ordinary Shares are listed and traded.

- (v) For the purposes of conversion pursuant to sub-paragraph (i) above, a Conversion Notice means, in relation to any Non-cumulative Category II Convertible Sterling Preference Shares, which as at the date of such notice, are Registered Shares (as defined in paragraph 2.6 of this Schedule 3), a Certificated Conversion Notice (as defined in sub-paragraph (vi) below) or, in relation to any Non-cumulative Category II Convertible Sterling Preference Shares that, as at the date of such notice, are Bearer Shares (as defined in the said paragraph 2.6), an Uncertificated Conversion Notice (as defined in sub-paragraph (vii) below).
- (vi) In relation to any Non-cumulative Category II Convertible Sterling Preference Shares that, as at the date of the relevant Conversion Notice, are Registered Shares, the right to convert shall be exercised if the registered holder of any such Category II Convertible Sterling Preference Shares, shall have delivered to the Company's Registrar, at any time during the period referred to in sub-paragraph (viii) below, a duly signed and completed Conversion Notice in such form as may from time to time be prescribed by the Directors (and obtainable from the Company's Registrar) (a *Certified Conversion Notice*) together with the Certificate for such shares (or an appropriate form of indemnity).
- (vii) In relation to any Non-cumulative Category II Convertible Sterling Preference Shares that, as at the date of the relevant Conversion Notice, are Bearer Shares, the right to convert shall be exercised if an Uncertificated Conversion Notice is received as referred to below at any time during the period referred to in sub-paragraph (viii) below. For these purposes, an Uncertificated Conversion Notice shall mean an instruction and/or notification received by the Company or such person as it may require in such form and having such effect as may in each case from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system) and details of which shall be obtainable from the Company's Registrar. Without prejudice to the generality of the foregoing, the form of Conversion Notice referred to above may be such as to require the holder of the Non-cumulative Category II Convertible Sterling Preference Shares concerned to transfer

such Non-cumulative Category II Convertible Sterling Preference Shares into such account as may be specified by the Company in the Uncertified Conversion Notice.

- (viii) The period referred to in sub-paragraphs (vi) and (vii) above for the delivery of a Conversion Notice is the period falling not less than 7 and not more than 30 days prior to the relevant Conversion Date. Unless the Directors otherwise determine in any case or cases, a Conversion Notice once delivered shall be irrevocable.
- (ix) The following provisions shall apply to conversion of the Non-cumulative Category II Convertible Sterling Preference Shares:-
 - (A) conversion may be effected in such manner as the Directors shall, subject to the requirements of applicable law and the provisions hereof, from time to time determine and, without prejudice to the generality of the foregoing, may be effected:
 - (aa) by the redemption of Non-cumulative Category II Convertible Sterling Preference Shares on the relevant Conversion Date for the Redemption Amount and the application of the redemption moneys on behalf of the holder of the Non-cumulative Category II Convertible Sterling Preference Shares so redeemed as herein provided. In the case of a conversion effected by means of the redemption of Non-cumulative Category II Convertible Sterling Preference Shares, the Directors may effect redemption of the relevant Non-cumulative Category II Convertible Sterling Preference Shares out of profits of the Company which would otherwise be available for dividend, out of the proceeds of a fresh issue of shares or in any other manner for the time being permitted by law. In the case of redemption out of profits, the Directors shall apply the Redemption Amount in the name of the holder of the Non-cumulative Category II Convertible Sterling Preference Shares to be converted in subscribing for the appropriate number of Ordinary Shares as determined in accordance with the provisions hereof at such premium per Ordinary Share as shall represent the amount (if any) by which the aggregate Redemption Amount exceeds the aggregate nominal amount of the Ordinary Shares to which the holder is so entitled divided by the number of such Ordinary Shares. In the case of redemption out of the proceeds of a fresh issue of shares, the Directors may arrange for the secretary of the Company or any other person selected by the Directors to subscribe and pay, as agent on the holder's behalf, for the appropriate number of Ordinary Shares at such premium per Ordinary Share as shall represent the amount (if any) by which the aggregate Redemption Amount exceeds the aggregate nominal amount of the Ordinary Shares to which the holder is so entitled divided by the number of such Ordinary Shares (and such person shall be deemed to have authority to borrow for such purpose) and, in any such case, a holder of Non-cumulative Category II Convertible Sterling Preference Shares shall be deemed irrevocably to have authorised and instructed the Directors to apply the Redemption Amount in payment to the holder's agent, who shall be entitled to retain the same for his own benefit without being accountable therefor to the holder. In relation to any Non-cumulative Category II Convertible Sterling Preference Shares which at the date of the relevant Conversion Notice are Bearer Shares, and which are to be redeemed in accordance with this sub-paragraph (ix)(A)(aa) the

Directors shall be entitled in their absolute discretion to determine the procedures for the redemption and cancellation of such Non-cumulative Category II Convertible Sterling Preference Shares (subject always to the facilities and requirements of the relevant system concerned and to the redemption on the relevant Conversion Date of the Non-cumulative Category II Convertible Sterling Preference Shares concerned) and the provisions of this sub-paragraph shall apply *mutatis mutandis* in respect of such redemption; or

- (bb) by means of a capitalisation issue and consolidation. In that case the requisite capitalisation issue and consolidation may be effected pursuant to the authority conferred by the passing of the resolution which created the Non-cumulative Category II Convertible Sterling Preference Shares, by the Company capitalising from profits or reserves (including any share premium account, merger reserve or capital redemption reserve) such number of new Ordinary Shares as shall bring the total nominal amount of the Non-cumulative Category II Convertible Sterling Preference Shares and the new Ordinary Shares to at least the total nominal amount of the Ordinary Shares into which the Non-cumulative Category II Convertible Sterling Preference Shares will convert on the relevant Conversion Date, consolidating all the relevant shares into one share (the *Consolidated Share*) and sub-dividing the Consolidated Share into the number of Ordinary Shares arising from the conversion of the Convertible Preference Shares. The balance of such sub-divided share (including any fraction) shall be non-voting deferred shares of such nominal amount as the Directors may determine (*Non-Voting Deferred Shares*), shall be certificated shares and shall have the following rights and restrictions:
- (1) on a winding-up or other return of capital, the Non-Voting Deferred Shares shall entitle the holders of the shares only to payment of the amounts paid up on those shares, after repayment of the holders of the Ordinary Shares of the nominal amount paid up on the Ordinary Shares held by them respectively and the payment of £0.01 on each Ordinary Share;
 - (2) the Non-Voting Deferred Shares shall not entitle the holders of the shares to the payment of any dividend or to receive notice of or to attend or vote at any general meeting of the Company;
 - (3) the Non-Voting Deferred Shares shall not, save as provided in sub-paragraph (4) below, be transferable;
 - (4) such conversion shall be deemed to confer irrevocable authority on the Company to appoint any person to execute on behalf of the holders or any Non-Voting Deferred Shares an instrument of transfer of the shares, and/or an agreement to transfer the shares, to such person or persons as the Company may determine as a custodian of the shares or to purchase or to cancel the shares in accordance with the provisions of the Statutes in any such case for not more than

£0.01 for all the shares being transferred, purchased or cancelled (to be paid to such one of the holders as may be selected by lot) without obtaining the sanction of the holder or holders of the shares, and pending such transfer or purchase or cancellation to retain the certificate for such Non-Voting Deferred Shares; and

- (5) the Company may at its option at any time after the creation of any Non-Voting Deferred Shares redeem all of those shares then in issue at a price not exceeding £0.01 for all the shares redeemed at any one time (to be paid to such one of the holders as may be selected by lot), upon giving the holders of the Non-Voting Deferred Shares not less than 28 days' previous notice in writing of its intention so to do, fixing a time and place for the redemption. The Non-Voting Deferred Shares will not be listed on the London Stock Exchange. Upon or after the redemption of any Non-Voting Deferred Shares pursuant to this sub-paragraph (bb) the Directors may pursuant to the authority conferred the passing of the resolution which created the Non-cumulative Category II Convertible Sterling Preference Shares consolidate and/or sub-divide and/or convert the authorised Non-Voting Deferred Share capital existing as a consequence of such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class or into unclassified shares of the same nominal amount (as nearly as may be) as the shares of such class or into unclassified shares of the same nominal amount as the Non-Voting Deferred Shares;
- (B) the preferential dividend on Non-cumulative Category II Convertible Sterling Preference Shares which are converted pursuant to this paragraph 2.7 shall cease to accrue with effect from the relevant Conversion Date. Ordinary Shares arising on conversion will be allotted and registered as of the relevant Conversion Date, in each case to and in the name of the holder of the relevant Non-cumulative Category II Convertible Sterling Preference Shares and shall rank *pari passu* with the Ordinary Shares in issue on such Conversion Date except that the Ordinary Shares so allotted will not rank for any dividend or other distribution which has been announced, declared, recommended or resolved prior to such Conversion Date by the Directors or by the Company in general meeting to be paid or made, if the record date for such dividend or other distribution is on or prior to such Conversion Date;
- (C) unless the Directors otherwise determine, or unless the Uncertificated Securities Regulations and/or the requirements of the relevant system otherwise require, the Ordinary Shares arising on conversion of any Non-cumulative Category II Convertible Sterling Preference Shares shall be or shall be issued (as appropriate) as certificated shares (where the Non-cumulative Category II Convertible Sterling Preference Shares converted were, on the date of the relevant Conversion Notice, Registered Shares or where the relevant Converting Holder has not specified a Crest account for this purpose in the relevant Uncertificated Conversion Notice) or as uncertificated shares (where the Non-cumulative Category II Convertible

Sterling Preference Shares converted were, on the date of the relevant Conversion Notice, uncertificated shares and the relevant Converting Holder has specified a Crest account for this purpose in the relevant Uncertificated Conversion Notice), provided that if the Company is unable under the facilities and requirements of the relevant system to issue Ordinary Shares in respect of the person entitled thereto in uncertificated form, such shares shall be issued as certificates shares; and

- (D) the Company shall procure that there shall be dispatched or made free of charge (but uninsured and at the risk of the holder or the person entitled thereto, or the first-named thereof, as the case may be):
 - (aa) a certificate in respect of Ordinary Shares arising on conversion which are, in accordance with sub-paragraph (C) above, certificated shares, and a new certificate for any unconverted Non-cumulative Category II Convertible Sterling Preference Shares comprised in any share certificate surrendered by the holder, not later than 28 days after the relevant Conversion Date; and
 - (bb) payment in respect of the accrued preferential dividend on the Non-cumulative Category II Convertible Sterling Preference Shares converted, on the payment date in respect of such dividend next following the relevant Conversion Date (unless such Conversion Date is also a dividend payment date, or unless there are no Non-cumulative Category II Convertible Sterling Preference Shares outstanding following such conversion in which case on such dividend payment date).
 - (E) For the purposes of this paragraph 2.7, whether any Non-cumulative Category II Convertible Sterling Preference Shares are certificated shares or uncertificated shares on the relevant Conversion Date shall be determined by reference to the register of members as at 12.01 a.m. on the relevant Conversion Date or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.
 - (F) The Company shall use reasonable endeavours to procure that the Ordinary Shares arising on conversion of Non-cumulative Category II Convertible Sterling Preference Shares are admitted to the Official List of The London Stock Exchange at the earliest practicable date following issue and allotment of such.
 - (G) The Company shall ensure that at the relevant Conversion Dates sufficient authorised but unissued share capital is available in order to permit conversion of the Non-cumulative Category II Convertible Sterling Preference Shares outstanding on such relevant Conversion Date;
3. (a) save with the written consent of the holder(s) of three-quarters in nominal value of, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of, the Non-cumulative Category II Convertible Sterling Preference Shares, the Directors shall not: (i) authorise or create, or increase the amount of, any shares of any class or any security convertible into shares of any class ranking as regards rights to participate in the profits or assets of the Company (other than on a redemption or purchase by the Company of any such shares) in priority to the Non-cumulative Category II Convertible Sterling Preference Shares; or (ii) delist the Ordinary Shares

from the London Stock Exchange, except in connection with a listing of such shares on another stock exchange of comparable standing;

- (b) the special rights attached in any series of Non-cumulative Category II Convertible Sterling Preference Shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied by the creation or issue of any New Shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after such Non-cumulative Category II Convertible Sterling Preference Shares. Any new shares ranking *pari passu* with such Non-cumulative Category II Convertible Sterling Preference Shares may without their creation or issue being deemed to vary the special rights attached to any Non-cumulative Category II Convertible Sterling Preference Share then in issue either carry rights identical in all respects with such Non-cumulative Category II Convertible Sterling Preference Shares or any of them or carry rights differing therefrom in any respect, including, but without prejudice to the generality of the foregoing, in that:
- (i) the rate or means of calculating the dividend may differ and the dividend may be cumulative or non-cumulative;
 - (ii) the New Shares or any series thereof may rank for dividend as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
 - (iii) the New Shares may be denominated in Sterling or any Foreign Currency;
 - (iv) a premium may be payable on return of capital or there may be no such premium;
 - (v) the New Shares may be redeemable at the option of the holder or of the Company, or may be non-redeemable and if redeemable at the option of the Company, they may be redeemable at different dates and on different terms from those applying to the Non-cumulative Category II Convertible Sterling Preference Shares; and
 - (vi) the New Shares may be convertible into Ordinary Shares or any other class of shares ranking as regards participation in the profits and assets of the Company *pari passu* with or after such Non-cumulative Category II Convertible Sterling Preference Shares in each case on such terms and conditions as may be prescribed by the terms of issue thereof.
- (c) Prior to 30 September 2000 the directors may, in their absolute discretion and without giving any reason refuse to register the transfer of a Non-cumulative Category II Sterling Convertible Preference Share to any person, whether or not it is fully paid.

SCHEDULE 4

Additional Value Shares

1. The Company shall have a class of Additional Value Shares. They shall confer the rights and be subject to the restrictions set out or referred to in this Schedule 4.
2. Each Additional Value Share shall confer the following rights as to participation in the profits and assets of the Company, receipt of notices, attendance and voting at meetings and conversion.

2.1 *Income*

The right to dividends to be paid out of the distributable profits of the Company, subject in each case to declaration by and at the discretion of the Directors and the provisions of sub-paragraph 2.2, as follows:

- (i) 15 pence per Additional Value Share on 1 December 2001;
- (ii) 30 pence per Additional Value Share on 1 December 2002; and
- (iii) 55 pence per Additional Value Share on 1 December 2003 (the "Final Dividend Date").

References in this Schedule to a "dividend" on the Additional Value Shares include a reference to each dividend paid on the Additional Value Shares (whether or not in accordance with the proposed dividends set out in this sub-paragraph 2.1 and including any dividend of a lesser amount than stated or any dividend aggregating two or more such dividends or any part thereof) and references to "dividend payment dates" are to dividend payment dates in respect of the Additional Value Shares only (such dividend payment dates being, subject to sub-paragraph 2.2, those specified in this sub-paragraph 2.1).

2.2 *Further provisions as to income*

The following provisions shall apply:

- (i) In deciding whether to declare and pay a dividend on the Additional Value Shares the Directors shall have regard inter alia to the following factors:
 - (A) whether the distributable profits of the Company are sufficient to cover the payment in full of dividends on the Additional Value Shares on any dividend payment date and also the payment in full of all other dividends (if any) stated to be payable on any Cumulative Preference Share or New Preference Share provided that in any event the Directors shall not pay any dividend due on the Additional Value Shares if in their opinion the distributable profits of the Company are not likely to be sufficient to pay any dividend due on any Cumulative Preference Share or New Preference Share due for payment within 90 days of the relevant dividend payment date;
 - (B) whether the distributable profits of the Company are adequate or are likely to be adequate having regard to the Company's obligation to make dividend payments on any Cumulative Preference Share or New Preference Share;
 - (C) the effect of the payment of such dividend on the regulatory capital structure of the Company and on its consolidated banking and trading book target and trigger

ratios as prescribed by the Financial Services Authority Limited from time to time; and

- (D) the Company's best interests having regard to its future cash requirements and actual and contingent liabilities.
- (ii) Without prejudice to the foregoing and for the avoidance of doubt, no dividend shall be paid on the Additional Value Shares if and to the extent that such payment would constitute an unauthorised variation or abrogation of the rights as to participation in profits attached to the Cumulative Preference Shares or any New Preference Shares.
- (iii) Holders of Additional Value Shares shall have no claim in respect of the failure of the Directors to declare and/or pay any dividend(s) and the Directors shall not be bound to give their reasons for not declaring or paying such a dividend save that the Directors shall announce their intention in respect of the payment of any dividend referred to in sub-paragraph 2.1 no later than 14 days prior to the relevant dividend payment date (save in respect of the Final Dividend Date in which case notice must be given on or before 1 September 2003).
- (iv) Dividends declared by the Directors shall be payable without necessity for any resolution on the part of the Company in General Meeting on the relevant dividend payment date to holders of Additional Value Shares entered on the register of members at the close of business on the date which falls one calendar month before the relevant dividend payment date (or on such other date prior to the relevant dividend payment date as the Directors may in their absolute discretion decide).
- (v) Subject to sub-paragraph 2.1 and this sub-paragraph 2.2, if and to the extent that any dividend is not declared for payment on any dividend payment date (whether in whole or in part), such amount shall fall to be considered for payment on the following dividend payment date in addition to any dividend falling to be considered for payment on that date.
- (vi) No Additional Value Share shall carry any right to participate in the profits of the Company other than as set out in sub-paragraph 2.1 above and this sub-paragraph 2.2.
- (vii) If any dividend payment date in respect of which dividends are declared to be payable in accordance with sub-paragraph 2.1 above is not a day on which banks in London are open for business (a "Business Day"), then payment of the dividend payable on such date will be made on the next succeeding Business Day and without any interest or other payment in respect of such delay.
- (viii) Save as set out in sub-paragraph 2.7(xiv) and for the avoidance of doubt, the Company shall be free to pay dividends or make other distributions to any holder of any other class of shares in the capital of the Company (including for the avoidance of doubt, the Cumulative Preference Shares, New Preference Shares and the Ordinary Shares) notwithstanding that the Directors have not declared and/or paid any dividend on the Additional Value Shares.

2.3 *Capital*

The right on a winding up, liquidation or other return of capital other than a redemption or purchase by the Company of any shares of any class, to receive in respect of each Additional Value Share in Sterling out of the surplus assets of the Company available for distribution amongst the members in priority to the holders of the Ordinary Shares of the Company but after payment of all amounts outstanding to holders of Cumulative Preference Shares and New

Preference Shares and any other share in the capital of the Company expressed to rank as to participation in capital or assets in priority to the Additional Value Shares, an amount of £1 less the aggregate amount of any dividends paid in respect of each Additional Value Share prior to the date of the winding up or liquidation (but for the avoidance of doubt excluding any distribution paid in the winding up or liquidation).

If on any such winding up, liquidation or other return of capital the amounts available for payment are insufficient to cover in full the amounts payable on the Additional Value Shares on such return of capital, the holders of such Additional Value Shares will share rateably in the distribution of assets (if any) in proportion to the full amounts to which they are respectively entitled under this sub-paragraph 2.3.

No Additional Value Share shall confer any further right to participate in the capital or assets of the Company available for distribution among the members other than as set out in this sub-paragraph 2.3.

2.4 *Receipt of Notices*

The right to have sent to the holder of each Additional Value Share (at the same time as the same are sent to the holders of Ordinary Shares) a copy of the Company's Annual Report and Accounts and/or Interim Financial Statement together with any notice of any General Meeting of the Company at which such holder is entitled to attend and vote.

2.5 *Attendance and Voting at Meetings*

The right to attend at a General Meeting of the Company and to speak to or vote upon any Resolution proposed thereat in circumstances where it is proposed at the Meeting either to vary or abrogate any of the rights attached to the Additional Value Shares or proposing the winding up of the Company (and then in each such case only to speak to and vote upon any such Resolution) but not otherwise.

Whenever holders of Additional Value Shares are so entitled to vote on a Resolution, on a show of hands every such holder who is present in person, and every proxy present who has been duly appointed by any such holder, shall have one vote and, on a poll, every such holder who is present in person or by proxy shall have such number of votes for the Additional Value Shares held by him as he would have had if those shares had been converted into Ordinary Shares on the date of the notice of the meeting pursuant to the conversion procedure set out in paragraph 2.7 of this Schedule 4 and at a price per Additional Value Share calculated on the basis that the date of the notice of the meeting was the Second Conversion Date.

2.6 *De-listing and Conversion into Non-Voting Deferred Shares*

The Directors shall be entitled (without being required to obtain the sanction of any holder of any Additional Value Share) in their absolute discretion and shall have irrevocable authority at any time after the payment of aggregate dividends of £1 in respect of each Additional Value Share to procure that the Additional Value Shares be de-listed from the Official List of the UK Listing Authority and from trading on the London Stock Exchange's market for listed securities. The Additional Value Shares shall convert automatically into non-voting deferred shares of £0.01 ("Non-Voting Deferred Shares"), which shall be certificated shares and shall have the following rights and restrictions only:

- (i) On a winding-up or other return of capital, the Non-Voting Deferred Shares shall entitle the holders of such shares only to payment of the amounts paid up on those shares, after repayment to the holders of Ordinary Shares of the nominal amount paid up on the

Ordinary Shares held by them respectively and the payment of £100,000 on each Ordinary Share.

- (ii) The Non-Voting Deferred Shares shall not entitle the holders of such shares to the payment of any dividend or other distribution or to receive notice of or to attend or vote at any general meeting of the Company or otherwise receive any shareholder communication.
- (iii) The Non-Voting Deferred Shares shall not, save as provided below or otherwise with the written consent of the Directors, be transferable.
- (iv) Notwithstanding any other provision in these presents and unless specifically required by the provisions of the 1985 Act, the Company shall not be required to issue any certificates in respect of any Non-Voting Deferred Shares.
- (v) Following conversion, the Non-Voting Deferred Shares shall be transferred for no consideration to such person as may be nominated by the Directors, whether or not an officer of the Company (and for such purposes the Directors shall have irrevocable authority to appoint a person on behalf of any holder of Non-Voting Deferred Shares to enter into an agreement to transfer and to execute and deliver a transfer of his Non-Voting Deferred Shares to such other person).

2.7 *Conversion into Ordinary Shares*

- (i) If on 1 September 2003 aggregate dividends of £1 have not been paid in respect of each Additional Value Share, then unless the Directors have resolved that a dividend be paid on the Additional Value Shares on or before the Final Dividend Date of such amount that aggregate dividends paid on Additional Value Shares will be £1 (and that dividend is duly paid on or before the Final Dividend Date or the following Business Day where that date is not a Business Day), the Additional Value Shares shall be converted into fully paid up Ordinary Shares in the manner set out (and subject to the provisions of) this paragraph 2.7 and the Company shall use its reasonable efforts, to the extent permitted by applicable law, to arrange for a sale of the Ordinary Shares arising on conversion pursuant to paragraph 2.7(iii) below.
- (ii) For the purpose of this paragraph 2.7:
 - (A) the Settlement Amount in relation to each Additional Value Share means an amount of £1 less the aggregate amount of any dividends paid in respect of that share;
 - (B) the Aggregate Settlement Amount in relation to any particular holding of Additional Value Shares means the aggregate Settlement Amount relating to the number of Additional Value Shares comprised in that holding and where the context requires, the Aggregate Settlement Amount relating to all Additional Value Shares to be converted;
 - (C) the First Conversion Date shall be 25 London Stock Exchange trading days prior to the Second Conversion Date and the Second Conversion Date shall be the Final Dividend Date;
 - (D) the expression “holder” shall include a person entitled by transmission and the expressions “hold” and “holding” shall be construed accordingly; and

- (E) each joint holding in respect of which names of the joint holders differ or are listed in a different order shall be treated as a separate holding and the expressions “held” and “holder” shall be construed accordingly.
- (iii) The Company will use its reasonable efforts, to the extent permitted by applicable law, to arrange for the sale of the Ordinary Shares into which such Additional Value Shares will convert so as to raise net cash proceeds of an amount equal to the Aggregate Settlement Amount in respect of such Additional Value Shares. The sale will be conducted by means of a process pursuant to which a broker selected by the Company (the “Broker”) will solicit bids for the relevant Ordinary Shares (the “Placing”). Such bids will be solicited during the period of 20 London Stock Exchange trading days ending five London Stock Exchange trading days before the First Conversion Date. The Company will not in any circumstances be obliged to procure the transfer of Ordinary Shares in connection with the Placing at a price per share of less than the nominal value of the Ordinary Shares (the “Base Price”).
- (iv) On the First Conversion Date there shall be converted in accordance with subparagraph 2.7(xv) the whole or such proportion of each holding of Additional Value Shares as shall be determined by the Directors in the light of the outcome of the Placing. The number of Ordinary Shares into which each Additional Value Share which is converted on the First Conversion Date is to be converted shall be such that the aggregate number of Ordinary Shares arising on the First Conversion Date shall be sufficient for the purposes of the Placing.
- (v) On the First Conversion Date:
- (A) the Company shall procure the transfer to the Broker or as the Broker shall direct, of the Ordinary Shares so placed; and
- (B) the Broker shall collect the net cash proceeds of the Placing and hold such proceeds in separate bank account(s) until the Second Conversion Date.

The Directors shall have irrevocable authority on behalf of each holder of an Additional Value Share to appoint any person on behalf of such holder to enter into an agreement to transfer and to execute and deliver a transfer of the Ordinary Shares resulting from conversion on the First Conversion Date.

- (vi) If the proceeds of the Placing are sufficient to enable the Company to pay to each holder of Additional Value Shares the Aggregate Settlement Amount in respect of his holding, the whole of the Additional Value Shares shall be converted on the First Conversion Date and on the Second Conversion Date the net cash proceeds of the Placing (if any) held by the Broker (the “Total Cash Amount”) shall be paid to the persons who were holders of the Additional Value Shares immediately prior to conversion.
- (vii) If the proceeds of the Placing are not sufficient to enable the Company to pay to each holder of Additional Value Shares the Aggregate Settlement Amount then part only of the Additional Value Shares (determined in accordance with paragraph (iv) above) shall be converted on the First Conversion Date and on the Second Date:
- (A) the Total Cash Amount shall be paid to the persons who were holders of the Additional Value Shares immediately prior to conversion pro rata to their holding of Additional Value Shares, and the amount (if any) by which the cash paid or payable to a holder falls short of the Aggregate Settlement Amount shall be the “Remaining Settlement Amount”; and

- (B) on the Second Conversion Date the remaining Additional Value Shares shall be converted into such number of Ordinary Shares so that the persons who were holders of Additional Value Shares immediately prior to conversion receive the whole number of Ordinary Shares (if any) calculated by dividing the Remaining Settlement Amount by the Conversion Price, being the higher of (i) 95% of the weighted average closing price per Ordinary Share on the London Stock Exchange during the period of 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days before the Second Conversion Date and (ii) the nominal value of the Ordinary Shares.
- (viii) If there is no Placing or if a dividend resolved upon as at 1 September 2003 is not paid on the Final Dividend Date (or the following Business Day where that date is not a Business Day) then on or as soon as possible after the Second Conversion Date all the Additional Value Shares shall be converted into such number of Ordinary Shares so that each holder receives the whole number of Ordinary Shares (if any) calculated by dividing the Settlement Amount by the Conversion Price, being the higher of (i) 95% of the weighted average closing price per Ordinary Share on the London Stock Exchange during the period of 20 London Stock Exchange dealing days ending five London Stock Exchange dealing days before the Second Conversion Date and (ii) the nominal value of the Ordinary Shares.
- (ix) Where the conversion would otherwise result in a holder being entitled to a fraction of an Ordinary Share such holder's entitlement shall be rounded up or down as the Directors may determine.
- (x) If at the time that the Conversion Price or Base Price is to be calculated the Ordinary Shares are not traded on the London Stock Exchange, references in this article to the London Stock Exchange shall be to such other competent authority or exchange with or on which the Ordinary Shares are listed or traded (as the case may be).
- (xi) The conversion of Additional Value Shares into fully paid Ordinary Shares shall be conditional on:
- (A) the Company, as at the First Conversion Date or the Second Conversion Date (as the case may be), having sufficient authorised but unissued share capital to issue such Non-Voting Deferred Shares of £0.01 as may fall to be issued on such date in connection with the conversion of Additional Value Shares;
 - (B) the number of Non-Voting Deferred Shares of £0.01 which the Directors have been authorised to issue pursuant to Section 80 of the 1985 Act being sufficient, as at the First Conversion Date or the Second Conversion Date (as the case may be) to allot the shares falling to be allotted on such date in connection with the conversion of Additional Value Shares or the Directors having been authorised prior to such date pursuant to section 80 to allot such shares (together with the condition set out in (A) above, the "Relevant Shareholder Approvals"); and
 - (C) there being sufficient profits or reserves available for capitalisation to enable the Company to allot credited as fully paid the number of Non-Voting Deferred Shares of £0.01 each falling to be allotted as aforesaid.
- (xii) The Company shall use its reasonable efforts to ensure that sufficient authorised but unissued share capital and sufficient profits or reserves are available in order to permit conversion of the Additional Value Shares outstanding on the relevant Conversion Date. If the Relevant Shareholder Approvals (or profits or reserves) are insufficient to permit the allotment and issue of such number of Non-Voting Deferred Shares as fall

to be allotted and issued on the First Conversion Date or the Second Conversion Date in connection with the conversion of Additional Value Shares, the Company undertakes to convert the maximum number of Additional Value Shares which it is legally permitted to convert under the existing Relevant Shareholder Approvals (and having regard to existing profits or reserves) pro rata to the respective entitlement of holders. Any Additional Value Shares which could not be converted as at the First Conversion Date and the Second Conversion Date shall be “Unconverted Additional Value Shares”.

- (xiii) Unconverted Additional Value Shares will be converted into Ordinary Shares as soon as the Company has sufficient authorised and unissued shares, and sufficient available profits or reserves, to permit conversion of Unconverted Additional Value Shares in full. Paragraphs (ii) to (x) of this Paragraph 2.7 shall apply to the conversion of such Unconverted Additional Value Shares provided that the Second Conversion Date shall be 60 London Stock Exchange dealing days after the first day of the month following the month in which the Company becomes able to convert such shares in full. The Company undertakes that for so long as Unconverted Additional Value Shares remain outstanding:
 - (A) such resolutions will be proposed at each subsequent Annual General Meeting that, when approved, would permit the Unconverted Additional Value Shares to be converted in full; and
 - (B) no available profit or reserve will be applied by the Company for any other purpose.
- (xiv) If any Additional Value Shares are to be converted pursuant to this paragraph 2.7, but have not, on the Final Dividend Date (or the following Business Day where that date is not a Business Day) been so converted, (“converted” for the avoidance of doubt, comprising the payment to each holder of Additional Value Shares of the Aggregate Settlement Amount and/or the allotment of Ordinary Shares in respect of the settlement of any Remaining Settlement Amount (as the case may be)) no dividends may be declared on any Ordinary Share in the capital of the Company, and no sum may be set aside for the payment thereof, unless on the date of declaration relative to any such payment, the Aggregate Settlement Amount has been paid in full or set aside or Ordinary Shares delivered in respect of the Aggregate Settlement Amount or any Remaining Settlement Amount.
- (xv) The following provisions shall apply to conversion of the Additional Value Shares:
 - (A) Conversion of Additional Value Shares may be effected in such manner as the Directors shall, subject to the requirements of applicable law and the provisions hereof, from time to time determine and, without prejudice to the generality of the foregoing, may be effected, in each case pursuant to the authority conferred by the passing of the resolution which created the Additional Value Shares, by the Company:
 - (aa) capitalising from profits or reserves (including, without limitation, any share premium account, merger reserve or capital redemption reserve) and allotting and issuing to a holder of Additional Value Shares to be converted such number of new Non-Voting Deferred Shares of £0.01 each having the rights and restrictions set out in paragraph 2.6 above as shall bring the total nominal amount of the Additional Value Shares and the new Non-Voting Deferred Shares to the total nominal amount of the Ordinary Shares into which the Additional Value Shares are to be converted on the

relevant Conversion Date, consolidating all the Non-Voting Deferred Shares and Additional Value Shares to be converted into one Share (the “Consolidated Share”) and sub-dividing and redesignating the Consolidated Share into the number of Ordinary Shares into which the Additional Value Shares are to be converted;

- (bb) consolidating such Additional Value Shares into one share (the “Consolidated Share”) and sub-dividing and redesignating the Consolidated Share into the number of Ordinary Shares into which the Additional Value Shares are to be converted and as to any balance into Non-Voting Deferred Shares of £0.01 such Non-Voting Deferred Shares being certificated shares having the rights and restrictions set out in subparagraph 2.6 above.
- (B) Ordinary Shares arising on conversion shall rank *pari passu* with the Ordinary Shares in issue on the relevant Conversion Date except that the Ordinary Shares so arising will not rank for any dividend or other distribution which has been announced, declared, recommended or resolved on prior to the relevant Conversion Date by the Directors or by the Company in general meeting, if the record date for such dividend or other distribution is on or prior to the relevant Conversion Date.
- (C) Unless the Directors otherwise determine, or unless the Uncertificated Securities Regulations and/or the requirements of the relevant system otherwise require, the Ordinary Shares arising on conversion of any Additional Value Shares shall be in certificated form (where the Additional Value Shares converted were, on the date of conversion, in certificated form) or as uncertificated shares (where the Additional Value Shares converted were, on the date of conversion, in Uncertificated Form) provided that if the Company is unable under the facilities and requirements of the relevant system to arrange for Ordinary Shares in respect of the person entitled thereto to be held in Uncertificated Form, such shares shall be in certificated form.
- (D) The Company shall procure that there shall be dispatched or made free of charge (but uninsured and at the risk of the holder or the person entitled thereto, or the first-named thereof, as the case may be) a certificate in respect of Ordinary Shares arising on conversion which are, in accordance with subparagraph 2.7(xv)(C) above, certificated shares not later than 28 days after the relevant Conversion Date.
- (E) For the purposes of this paragraph 2.7(xv), whether any Additional Value Shares are in certificated form or Uncertificated Form on the Conversion Date shall be determined by reference to the register of members as at 12.01 a.m. on the relevant Conversion Date or such other time as the Directors may (subject to the facilities and requirements of the relevant system concerned) in their absolute discretion determine.
- (F) The Company shall use reasonable efforts to procure that the Ordinary Shares arising on conversion of Additional Value Shares are admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange’s market for listed securities at the earliest practicable date.

2.8 *Class Rights*

The Company may from time to time create, allot and issue further shares, whether ranking pari passu with, in priority to, or behind the Additional Value Shares in any respect (including, without limitation, as to priority in payment of dividends or as to capital in a liquidation of the Company), and such creation, allotment or issue of any such further shares (whether or not ranking in any respect in priority to the Additional Value Shares and whether or not the same confer on the holders voting rights more favourable than those conferred by the Additional Value Shares) shall be deemed not to involve a variation of the rights attaching to the Additional Value Shares for any purpose.

2.9 *Additional Limitations*

No Additional Value Share shall (save as otherwise specifically set out herein) confer any right to participate in:

- (i) the profits or assets of the Company;
- (ii) any offer or invitation by way of rights or otherwise to subscribe for additional shares in the capital of the Company; or
- (iii) any future capitalisation or bonus issue of shares in the capital of the Company.