

_____ 2023

R&Q INSURANCE HOLDINGS LTD.
(the "Issuer")

and

DEUTSCHE TRUSTEE COMPANY LIMITED
(the "Trustee")

**DEED OF AMENDMENT AND RESTATEMENT
RELATING TO THE TRUST DEED ORIGINALLY
DATED 16 DECEMBER 2020**

CONTENTS

CLAUSE	PAGE
1. Definitions and Interpretations	2
2. Restatement of the Trust Deed.....	3
3. No Note Event of Default	3
4. Instructions to Trustee.....	3
5. Counterparts	3
6. General	4
7. Governing law	4

THIS DEED OF AMENDMENT AND RESTATEMENT (the "**Deed**") is made on _____ 2023

BETWEEN:

- (1) **R&Q INSURANCE HOLDINGS LTD.**, an exempted company duly organised and validly existing under the laws of Bermuda (the "**Issuer**");
- (2) **DEUTSCHE TRUSTEE COMPANY LIMITED**, a company incorporated under the laws of England and Wales, whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB (the "**Trustee**", which expression includes, where the context admits, all persons for the time being the trustee or trustees of the Trust Deed),

(together, the "**Parties**").

WHEREAS:

- (A) On 16 December 2020, the Issuer issued the Notes.
- (B) The Issuer and the Trustee agree to amend and restate the trust deed dated 16 December 2020 (the "**Trust Deed**") such that the Trust Deed shall henceforth be read and construed in the form set out in Schedule 1 hereto.
- (C) By a Written Resolution dated _____ 2023 passed by the Noteholders (the "**Written Resolution**"), the Noteholders have approved certain amendments to, and the restatement of, the Trust Deed and have authorised, directed, requested and empowered the Trustee to enter into, execute and deliver this Deed.
- (D) This Deed is supplemental to the Original Trust Deed.

IT IS AGREED as follows:

1. Definitions and Interpretations

Original Trust Deed means the Trust Deed dated 16 December 2020 between the Issuer and the Trustee;

Restated Trust Deed means the Original Trust Deed, as amended and restated by this Deed in the form set out in Schedule 1 (*Restated Trust Deed*);

Restatement Date means the date upon which this Deed is executed and delivered as a deed by the Parties.

1.1 Interpretations

This Deed (including the Recitals) shall have expressly and specifically incorporated into it the definitions set out in (1) prior to the Restatement Date, clause 1.1 (*Definitions*) of the Original Trust Deed and (2) on and from the Restatement Date, clause 1.2 (*Construction of Certain References*) of the

Restated Trust Deed (each, the "**Definitions**") as though they were set out in full in this Deed. If there is any conflict between this Deed and the Definitions, this Deed shall prevail.

1.2 **Incorporation of principles of construction**

This Deed shall have expressly and specifically incorporated into it the principles of construction set out in (1) prior to the Restatement Date, clause 1.2 (*Construction of Certain References*) of the Original Trust Deed and (2) on and from the Restatement Date, clause 1.2 (*Construction of Certain References*) of the Restated Trust Deed (each, the "**Principles of Construction**") as though they were set out in full in this Deed. If there is any conflict between this Deed and the Principles of Construction, this Deed shall prevail.

2. **Restatement of the Trust Deed**

- 2.1 With effect from and including the Restatement Date, the Original Trust Deed shall be amended and restated so that it shall be read and construed for all purposes as set out in Schedule 1 (*Restated Trust Deed*) hereto.

3. **No Note Event of Default**

The Issuer confirms that, as at the date of this Deed, no Event of Default or Potential Event of Default has occurred and is continuing and that no Event of Default or Potential Event of Default shall occur as a result of it executing and delivering this Deed.

4. **Instructions to Trustee**

- 4.1 The Issuer requests the Trustee to enter into this Deed in order to give effect to the amendment and restatement set out in Clause 2.
- 4.2 The Issuer acknowledges the amendment and restatement set out in Clause 2 above and agrees that the Trustee will not have any liability whatsoever for any loss howsoever arising out of such amendment and restatement or as a result of complying with such request.
- 4.3 The Parties acknowledge and agree that the Trustee has become party to this Deed, *inter alia*, for the better preservation of its respective rights and at the request of the Noteholders pursuant to the Written Resolution.

5. **Counterparts**

This Deed may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Deed by e-mail attachment or telecopy shall be an effective mode of delivery.

6. General

- 6.1 The Original Trust Deed shall henceforth be replaced by the Restated Trust Deed in the form set out in Schedule 1.
- 6.2 A memorandum of this Deed shall be endorsed by the Trustee on the Trust Deed and by the Issuer on its duplicate thereof.
- 6.3 The Issuer agrees to pay all reasonable out-of-pocket expenses of the Noteholders arising in connection with this Deed and the transactions contemplated hereby, and the reasonable fees and expenses of Clifford Chance LLP, special counsel to the Noteholders, in connection with this Agreement (the “Costs”).
- 6.4 The Issuer acknowledges and agrees that it shall be responsible for all costs, charges, Losses and expenses incurred by the Trustee in relation to this Deed in accordance with Clause 10.3 (*Expenses*) of the Original Trust Deed.

7. Governing law

This Deed and any non-contractual obligation arising out of or in relation to this Deed shall be governed by, and interpreted in accordance with, English law.

This Deed has been executed and delivered as a deed by the parties to it on the date stated at the beginning of this Deed.

Schedule 1 (*Restated Trust Deed*)

Dated 16 December 2020

as amended and restated on _____ 2023

R&Q INSURANCE HOLDINGS LTD.,

as Issuer

AND

DEUTSCHE TRUSTEE COMPANY LIMITED,

as Trustee

TRUST DEED

constituting

USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033

This Trust Deed is made on 16 December 2020 as amended and restated on _____ 2023 **between:**

- (1) **R&Q INSURANCE HOLDINGS LTD.**, an exempted company duly organized and validly existing under the laws of Bermuda (the “**Issuer**”, previously known as Randall & Quilter Investment Holdings Ltd.); and
- (2) **Deutsche Trustee Company Limited**, a company incorporated under the laws of England and Wales, whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom (the “**Trustee**”, which expression shall, where the context so admits, include all Persons for the time being the trustee or trustees of this Trust Deed).

Whereas:

- (A) The Issuer has duly authorised the issue of USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033 to be constituted by this Trust Deed.
- (B) The said Subordinated Notes in definitive form will be in registered form without coupons.
- (C) The Trustee has agreed to act as trustee of this Trust Deed on the following terms and conditions.

Now this Deed witnesses and it is hereby agreed and declared as follows:

1 Definitions and Interpretation

1.1 Definitions

The following expressions shall have the following meanings:

“**Affiliate**” means, in relation to any Person, a Subsidiary of that Person or a Holding Company of that Person or any other Subsidiary of that Holding Company;

“**Agency Agreement**” means the agreement appointing the initial Paying and Transfer Agents, the Registrar and the Agent Bank in relation to the Subordinated Notes and any other agreement for the time being in force appointing Successor Paying and Transfer Agents, Registrars and Agent Banks in relation to the Subordinated Notes, or in connection with their duties, the terms of which have been approved in writing by the Trustee, together with any agreement for the time being in force amending or modifying with the prior written approval of the Trustee any of the aforesaid agreements in relation to the Subordinated Notes;

“**Agent Bank**” means the bank initially appointed as agent bank in relation to the Subordinated Notes by the Issuer pursuant to the Agency Agreement or, if applicable, any Successor agent bank in relation to the Subordinated Notes;

“**Agents**” means, any of the Paying and Transfer Agents, Agent Bank or the Registrar;

“**Appointee**” means any attorney, manager, custodian, agent, delegate, nominee, co- trustee or other Person appointed by the Trustee;

“**Authorised Person**” means any person who (i) is a director of the Issuer or (ii) has been notified by the Issuer in writing to the Trustee from time to time as being duly authorised to sign documents, act on behalf of the Issuer and give Instructions to the Trustee under the terms of this Trust Deed;

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*;

“**Conditions**” means, in relation to the Subordinated Notes, the terms and conditions set out in Schedule 4, as any of the same may from time to time be modified in accordance with the provisions thereof and the

Global Note and/or of this Trust Deed, and references in this Trust Deed to a particular numbered Condition shall, in relation to the Subordinated Notes, be construed accordingly;

“**Debt Summary**” means a summary of the Issuer’s outstanding indebtedness in the form set out in Schedule 7 (*Debt Summary*);

“**Definitive Notes**” means those Subordinated Notes for the time being represented by definitive certificates in the form or substantially in the form set out in Schedule 1;

“**Directors**” means the directors of the Issuer;

“**Enforcement Action**” has the meaning set forth in Clause 6.1;

“**Euroclear**” means Euroclear Bank SA/NV;

“**Event of Default**” means any of the events described in Condition 10;

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

“**Global Note**” means the registered global bond representing the Subordinated Notes in the form or substantially in the form set out in Schedule 2;

“**Group**” means the Issuer and its Subsidiaries and Affiliates;

“**Holding Company**” means, in relation to a Person, any other Person in respect of which it is a Subsidiary.

“**Instructions**” means any written notices, directions or instructions received by the Trustee in accordance with Clause 19 from an Authorised Person or from a person reasonably believed by the Trustee to be an Authorised Person;

“**Insurance Subsidiaries**” means each of Accredited Surety & Casualty Inc. Florida, R&Q Re Bermuda Ltd., and Accredited Insurance (Europe) Ltd., and, each of the foregoing, collectively, the “**Insurance Subsidiaries**”;

“**Losses**” means any loss, damage, cost, fee, charge, claim, demand, expense, judgment, action, proceedings or other liability whatsoever (including, without limitation, in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;

“**Material Adverse Effect**” means a material adverse effect on: (a) the business, operations or financial condition of the Group taken as a whole; or (b) the ability of the Issuer to perform its payment obligations under the Subordinated Notes; or (c) the validity or enforceability of the Subordinated Notes or this Trust Deed;

“**Noteholder**” and “**holder**” means a Person in whose name the Note is registered in the Register (as defined in Condition 3(a) (*Registration*));

“**outstanding**” means, in relation to the Subordinated Notes, all the Subordinated Notes issued other than

- (i) those which have been redeemed in accordance with this Trust Deed;
- (ii) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Subordinated Notes

to the date for such redemption and any interest payable under Condition 4 (*Interest*) after such date) have been duly paid to the relevant Noteholder or on its behalf or to the Trustee or to the Principal Paying and Transfer Agent as provided in Clause 2 and remain available for payment against presentation and surrender of Subordinated Notes;

- (iii) those which have become void or those in respect of which have become prescribed under Condition 11 (*Prescription*);
- (iv) those mutilated or defaced Subordinated Notes which have been surrendered in exchange for replacement Subordinated Notes pursuant to Condition 12 (*Replacement of Note Certificates*);
- (v) (for the purpose only of determining how many Subordinated Notes are outstanding and without prejudice to their status for any other purpose) those Subordinated Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Subordinated Notes have been issued pursuant to Condition 12 (*Replacement of Note Certificates*);
- (vi) those which have been purchased and cancelled as provided in Condition 7 (*Redemption, Purchase and Cancellation*);
- (vii) the Global Note to the extent that it shall have been exchanged for definitive registered Subordinated Notes pursuant to its provisions,

provided that for the purposes of:

- (a) ascertaining the right to attend and vote at any meeting of the Noteholders or any of them, an Extraordinary Resolution in writing as envisaged in Schedule 3 and any direction or request by the holders of the Subordinated Notes;
- (b) the determination of how many Subordinated Notes are outstanding for the purposes of Conditions 10 (*Default and remedies on default*), 13 (*Meetings of Noteholders, Modification and Waiver*) and Schedule 3; and
- (c) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders,

those Subordinated Notes (if any) which are beneficially held by, or are held on behalf of, the Issuer or any Affiliate of the Issuer and not yet cancelled shall be deemed not to remain outstanding;

“Potential Event of Default” means an event or circumstance which would, with the giving of notice, lapse of time, issue of a certificate and/or the fulfilment of any other requirement provided for in Condition 10 (*Default and remedies on default*), become an Event of Default;

“Registrar” means, in relation to the Subordinated Notes, Deutsche Bank Luxembourg S.A. at its specified office or any Successor Registrar appointed under the Agency Agreement;

“Relevant Jurisdiction” means the United Kingdom or any political subdivision or taxing authority thereof or therein, as the case may be, or any other jurisdiction in which the Issuer is resident for tax purposes or any political subdivision or taxing authority thereof or therein;

“Reserved Matters” means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Subordinated Notes, to reduce the amount of principal or interest payable on any date in respect of the Subordinated Notes or to alter the method of calculating the amount of any payment in respect of the Subordinated Notes on redemption or maturity including a collection of a replacement benchmark;
- (a) to effect the exchange, conversion or substitution of the Subordinated Notes for, or the conversion of the Subordinated Notes into shares, bonds, or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under Clause 15.2 of this Trust Deed);
- (b) to change the currency in which amounts due in respect of the Subordinated Notes are payable;
- (c) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (d) to amend this definition;

“**Securities Act**” means the U.S. Securities Act of 1933, as amended;

“**Senior Creditors**” has the meaning given in the Terms and Conditions;

“**specified office**” means, in relation to any Agent, either the office identified with its name in the Agency Agreement or any other office approved by the Trustee and notified to the Noteholders pursuant to Clause 9.10 and Condition 17 (*Notices*);

“**Subordinated Notes**” means the notes in registered form comprising the USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033;

“**Subsidiary**” means an entity of which a Person:

- (a) has direct or indirect control; or
- (b) owns directly or indirectly more than fifty per cent. (50%) of the share capital or similar right of ownership; or
- (c) is entitled to receive more than fifty per cent. (50%) of the dividends or distributions,

and any entity (whether or not so controlled) treated as a subsidiary in the latest financial statements of that Person from time to time and disregarding, for the purpose of this definition, the fact that any shares in that entity may be held by way of security, that the beneficiary of the security (or its nominee) may be registered as a member of the relevant undertaking and/or that such beneficiary of the security (or its nominee) may be entitled to exercise voting powers and rights with respect to those charged shares. Unless otherwise specified, “Subsidiary” means a Subsidiary of the Issuer;

“**Successor**” means, in relation to the Agents, such other or further Person as may from time to time (i) be appointed as an Agent by the Issuer, (ii) be appointed as an Agent by the Principal Paying and Transfer Agents or the Registrar pursuant to Clause 23 of the Agency Agreement, or (iii) as may become an Agent through a merger or consolidation; and in the case of (i) and (ii) above, with the written approval of, and on terms approved in writing by, the Trustee and notice of the appointment of such successor Agent is given to Noteholders pursuant to Clause 9.10 and Condition 17 (*Notices*), and in the case of (iii) above, notice of such successor Agent is given to the Issuer and the Trustee pursuant to Clause 23 of the Agency Agreement and Condition 17 (*Notices*);

“**this Trust Deed**” means this Trust Deed, the Schedules hereto and any other document executed in accordance with this Trust Deed and expressed to be supplemental to this Trust Deed and the Subordinated Notes and Conditions all as from time to time altered in accordance with this Trust Deed; and

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

1.2 Construction of Certain References

References to:

- 1.2.1** costs, charges, remuneration or expenses shall include any amount in respect of value added tax, turnover tax or similar tax charged in respect thereof;
- 1.2.2** “**U.S. dollars**” “**U.S.\$**” are references to the lawful currency of the United States of America;
- 1.2.3** any action, remedy or method of judicial proceedings for the enforcement of rights of creditors shall include, in respect of any jurisdiction other than England and Wales, references to such action, remedy or method of judicial proceedings for the enforcement of rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate thereto and any other similar, analogous or corresponding event under the insolvency laws of any applicable jurisdiction;
- 1.2.4** words denoting the singular number only shall include the plural number also and vice versa;
- 1.2.5** words denoting one gender only shall include the other gender;
- 1.2.6** words denoting Persons only shall include firms and corporations and vice versa;
- 1.2.7** any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
- 1.2.8** the records of Euroclear and Clearstream, Luxembourg shall be to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers’ interest in the Subordinated Notes;
- 1.2.9** references in this Trust Deed to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer, the Trustee and the Agents; and
- 1.2.10** references in this Trust Deed to this Trust Deed or any other document are to this Trust Deed or those documents as amended, supplemented or replaced from time to time and include any document that amends, supplements or replaces them.

1.3 Conditions

Words and expressions defined in the Conditions and not defined in the main body of this Trust Deed shall when used in this Trust Deed have the same meanings as are given to them in the Conditions.

1.4 Headings

Headings shall be ignored in construing this Trust Deed.

1.5 Schedules, Clauses, etc.

References in this Trust Deed to Schedules, Clauses, sub-clauses, paragraphs and sub- paragraphs shall be construed as references to the Schedules, Clauses, sub-clauses, paragraphs and sub-paragraphs of this Trust Deed, respectively. The Schedules are part of this Trust Deed and shall have effect accordingly.

1.6 Enforceability

If at any time any provision of this Trust Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Trust Deed nor the legality, invalidity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

2 Amount of the Original Notes and Covenant to Pay

2.1 Amount of the Original Notes

The aggregate principal amount of the Subordinated Notes is limited to USD 125,000,000.

2.2 Covenant to Pay

The Issuer will, on any date on which the Subordinated Notes or any of them become due to be redeemed in accordance with this Trust Deed or the Conditions, unconditionally pay to or to the order of the Trustee in U.S. dollars in London in same day funds the principal amount of the Subordinated Notes becoming due on that date (together with any other amounts payable, in accordance with the Conditions) and will (subject to the Conditions) until such payment (both before and after judgment) unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid interest on the aggregate principal amount of the Subordinated Notes outstanding at the rates calculated in accordance with Condition 4 (*Interest*) **provided that** (i) subject to the provisions of Clause 2.4, every payment of any sum due in respect of the Subordinated Notes made to or to the account of the Principal Paying and Transfer Agent as provided in the Agency Agreement shall, to such extent, satisfy such obligation except to the extent that there is failure in its subsequent payment to the relevant Noteholders and (ii) a payment made after the due date will be deemed to have been made when the full amount has been received by the Principal Paying and Transfer Agent or the Trustee and the notice to that effect has been given to the Noteholders (if required under Clause 9.8), except to the extent that there is failure in its subsequent payment to the relevant Noteholders; and (iii) in the event that (following, if so required, due presentation of a Subordinated Note) upon redemption, payment of the principal amount is improperly withheld or refused, such Subordinated Note will continue to bear interest at the rate aforesaid as provided in Condition 4(b). The Trustee will hold the benefit of this covenant on trust for the Noteholders.

2.3 Discharge

Subject to Clause 2.4, any payment to be made in respect of the Subordinated Notes by the Issuer or the Trustee may be made as provided in the Conditions and any payment so made will (subject to Clause 2.4) to such extent be a good discharge to the Issuer or the Trustee, as the case may be.

2.4 Payment after Default

2.4.1 Any time after an Event of Default or a Potential Event of Default has occurred or the Subordinated Notes have otherwise become due and repayable, the Trustee may:

- (i) by notice in writing to the Issuer and the Agents, until notified by the Trustee to the contrary, so far as permitted by any applicable law, require the Agents:
 - (a) to act thereafter as Principal Paying and Transfer Agent and Paying and Transfer Agent, respectively, of the Trustee in relation to payments to be made by or on behalf of the Trustee under the provisions of the Agency Agreement on the terms provided in the Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under any provision thereof for the remuneration and indemnification of the Paying and Transfer Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of this Trust Deed in relation to the Subordinated Notes and available for such purpose) and thereafter to hold all Subordinated Notes and all sums, documents and records held by them in respect of Subordinated Notes on behalf of the Trustee; or
 - (b) to deliver up all Subordinated Notes and all sums, documents and records held by them in respect of Subordinated Notes to the Trustee or as the Trustee shall direct in such notice provided that such notice shall be deemed not to apply to any documents or records which the relevant Paying and Transfer Agent is obliged not to release by any law or regulation; and

2.4.2 by notice in writing to the Issuer require it to make all subsequent payments in respect of the Subordinated Notes to or to the order of the Trustee and not to the Principal Paying and Transfer Agent, with effect from the issue of any such notice to the Issuer and until such time as the notice is withdrawn, proviso (i) and (ii) to Clause 2.2 shall apply as though references therein to the Principal Paying and Transfer Agent are references to the Trustee.

2.5 Covenant to Comply with Trust Deed

The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed which are expressed to be binding on each of them, respectively. The Conditions shall be binding on the Issuer and the Noteholders. The Trustee shall be entitled to enforce the obligations of the Issuer under the Subordinated Notes as if the same were set out and contained in this Trust Deed constituting the same, which shall be read and construed as one document with the Subordinated Notes. The Trustee shall hold the benefits of this covenant upon trust for itself and the Noteholders according to its and their respective interests.

2.6 Representations and Warranties

2.6.1 The Issuer represents and warrants to the Trustee that:

- (i) the issuance of the Subordinated Notes and the execution and delivery of this Trust Deed and the Agency Agreement and the performance by the Issuer of its obligations thereunder will not cause any violation of any law or regulation in or of Bermuda or the federal, state or local laws of the United States of America (as applicable) and will not cause any violation of any agreement (or other obligation) to which the Issuer is a party or which is or may be binding upon it or any of its assets;
- (ii) the Issuer has obtained all applicable consents, clearances, approvals, authorisations, orders, registrations and/or qualifications of or with any court, governmental agency or regulatory body and no other action or thing is required to be taken, fulfilled or done for the execution and delivery by the Issuer of this Trust Deed, the Agency Agreement and the Subordinated Notes, the issue of the Subordinated Notes and the carrying out of all

transactions contemplated by this Trust Deed, the Agency Agreement and the Subordinated Notes; and

- (iii) the Subordinated Notes, this Trust Deed and the Agency Agreement are its valid and binding obligations.

3 Form of the Subordinated Notes and Issue of the Subordinated Notes

3.1 Global Notes

The Subordinated Notes shall be represented initially by the Global Note which the Issuer shall issue to a common depository for Euroclear and Clearstream, Luxembourg on terms that such common depository shall hold the same for the account of the Persons who would otherwise be entitled to receive Definitive Notes (as notified to such common depository by the Issuer of the issue of the Subordinated Notes) and the successors in title to such Persons as appearing in the records of Euroclear and Clearstream, Luxembourg for the time being.

3.2 Form and Amount – Global Note

The Global Note shall be printed or typed in the form or substantially in the form set out in Schedule 2 and may be a facsimile. The Global Note shall be in the aggregate principal amount of USD 125,000,000 shall be signed manually or in facsimile by an Authorised Person on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar. The Global Note so executed and authenticated shall be a binding and valid obligation of the Issuer and title thereto shall pass by registration of transfer in respect thereof in accordance with the provisions of this Trust Deed.

3.3 Definitive Notes

The Issuer shall issue the Definitive Notes in exchange for the Global Note in accordance with the provisions thereof. Pending exchange of the entire principal amount of the Global Note the holder thereof shall, subject to the terms thereof, be deemed to be the holder of the Subordinated Notes represented thereby for all purposes.

3.4 Form and Amount – Definitive Notes; Registration and Transfer

The Subordinated Notes in definitive form shall be in registered form and shall be issued in the form or substantially in the form set out in Schedule 1 in the denomination and transferable in units of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (or such lesser amount if such amount represents the entire principal amount of the Note), shall be serially numbered and shall be endorsed with a Form of Transfer in the form or substantially in the form also set out in Schedule 1 and with the Conditions. Title to the Subordinated Notes in definitive form shall pass upon the registration of transfers in respect thereof in accordance with the provisions of this Trust Deed.

3.5 Signature

The Definitive Notes shall be signed manually or in facsimile by one Director of the Issuer on behalf of the Issuer and shall be authenticated by or on behalf of the Registrar.

3.6 Facsimile Signatures

The Issuer may use the facsimile signature of any person who at the date such signature is affixed is an Authorised Person of the Issuer as referred to in sub-clauses 3.2 and 3.5 above notwithstanding that at the

time of issue of the Global Note or any of the Definitive Notes, as the case may be, he may have ceased for any reason to be so authorised or to be the holder of such office. The Definitive Notes so signed shall be binding and valid obligations of the Issuer.

3.7 Registration and Transfer of Subordinated Notes

All transfers of Subordinated Notes and entries on the Register will be made in accordance with the regulations set forth in Schedule 6 to this Trust Deed.

4 Stamp Duties and Taxes

4.1 Taxes etc.

The Issuer will pay any stamp, issue, registration, documentary or other similar taxes and duties, including interest and penalties, payable in respect of the creation, issue and offering of the Subordinated Notes, and the execution or delivery of this Trust Deed. The Issuer will also indemnify the Trustee and the Noteholders from and against all stamp, issue, registration, documentary or other taxes paid by any of them in any jurisdiction in relation to which the liability to pay arises directly as a result of any action taken, in accordance with the Conditions and this Trust Deed, by or on behalf of the Trustee or, as the case may be, (where entitled under Condition 10(f) (*Enforcement*) to do so) the Noteholders to enforce the obligations of the Issuer under this Trust Deed, the Agency Agreement or the Subordinated Notes.

5 Status of the Subordinated Notes

5.1 Status of the Subordinated Notes

5.1.1 The Subordinated Notes constitute direct, unconditional, unsecured and contractually subordinated obligations of the Issuer which will at all times rank (including in the event of a Winding-Up):

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with all claims of holders of all other subordinated and unsecured obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Ancillary Capital, and all obligations which rank, or are expressed to rank, *pari passu* therewith (“**Parity Securities**”), in each case both as regards the right to receive periodic payments and the right to receive repayment of capital on a Winding-Up, bankruptcy or liquidation of the Issuer;
- (iii) in priority to the claims of holders of:
 - (a) any subordinated obligations of the Issuer expressed to rank junior to the Subordinated Notes or Parity Securities;
 - (b) all obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would, but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith; and

(c) all classes of share capital of the Issuer,

(the “**Junior Securities**”), in each case both as regards the right to receive periodic payments and the right to receive repayment of capital on a Winding-Up, bankruptcy or liquidation of the Issuer; and

(iv) junior and contractually subordinate to present or future claims of Senior Creditors.

5.1.2 For the avoidance of doubt, nothing in this Clause 5.1 or in any other provision of this Trust Deed shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof, all of which shall accordingly remain unsubordinated.

6 Enforcement

6.1 Proceedings

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) as it may think fit against or in relation to the Issuer to enforce the Issuer’s obligations under this Trust Deed (an “**Enforcement Action**”).

6.2 Proof of default

Should the Trustee take legal proceedings against the Issuer to enforce any of the provisions of this Trust Deed, proof therein that as regards the Subordinated Notes the Issuer has failed in paying any principal, premium or interest due in respect of such Subordinated Note shall (unless the contrary be proved) be sufficient evidence that the Issuer has made the like default as regards all other Subordinated Notes which are then due and repayable.

References in sub-clause 2.2 to "the rate aforesaid" shall, in the event of any Subordinated Notes having become due and repayable, with effect from the expiry of the interest period during which such Subordinated Notes become due and repayable, be construed as references to a rate of interest calculated *mutatis mutandis* in accordance with the Conditions and notices thereof shall be published in accordance with the Conditions unless the Trustee otherwise agrees.

7 Proceedings, Action and Indemnification

The Trustee shall not be bound to take any action in relation to this Trust Deed (including but not limited to the giving of any notice pursuant to Condition 10 (*Default and remedies on default*) or the taking of an Enforcement Action unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the Requisite Holders, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction by the relevant Holders against all Losses to which it may render itself liable or which it may incur by so doing.

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

Notwithstanding anything to the contrary in the Trust Deed or the Conditions of the Subordinated Notes and subject to the next sentence, only the Trustee may enforce the provisions of the Trust Deed and the Conditions of the Subordinated Notes. No Noteholder will be entitled to (a) take any steps or action against the Issuer to enforce the performance of any of the provisions of this Trust Deed or the relevant Conditions of the Subordinated Notes or (b) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Trustee, having become bound pursuant to this Clause 7 to take any such action, steps or proceedings pursuant to this Clause 7, (i) fails to do so within a reasonable period of time, and in any event within 30 days of becoming so bound or (ii) is unable to do so by reason of an order of a court of a competent jurisdiction, and the failure or inability shall be continuing, provided that any sums recovered by such Noteholder shall be applied in accordance with Clause 8 (*Application of Moneys Received by the Trustee*).

8 Application of Moneys Received by the Trustee

8.1 Declaration of Trust

All moneys received by the Trustee in respect of the Subordinated Notes or amounts payable under this Trust Deed will, regardless of any appropriation of all or part of them by the Issuer, be held by the Trustee upon trust to apply them:

- 8.1.1** *first*, in payment of all costs, charges, expenses and liabilities properly incurred by the Trustee and/or any Agent and/or any Appointee (including remuneration payable to the Trustee and/or any Agent and/or any Appointee) in carrying out its or their functions under this Trust Deed;
- 8.1.2** *secondly*, in payment of any amounts owing in respect of the Subordinated Notes *pari passu* and rateably; and
- 8.1.3** *thirdly*, in payment of the balance (if any) to the Issuer, for itself, or to any other Person or entity entitled to such sums.

Without prejudice to this Clause 8.1, if the Trustee holds any moneys which represent principal or interest or other sums in respect of the Subordinated Notes which have become void or in respect of which claims have become prescribed under Condition 11 (*Prescription*), the Trustee will hold such moneys upon the trusts set out in this Clause 8.1.

8.2 Notice of Payments

The Trustee shall give notice to the Noteholders in accordance with the relevant Conditions of the day fixed for any payment to them under this Clause 8. Such payment may be made in accordance with the relevant Conditions and any payment so made shall be a good discharge to the Trustee.

8.3 Accumulation

Save as expressly provided in this Trust Deed, the Trustee shall have no powers of investment with respect to any moneys held by the Trustee and available for payment in respect of the Subordinated Notes and (to the extent permitted by applicable law) the power of investment in the Trustee Act 2000 shall not, nor shall any other provision relating to trustee powers of investment implied by statute or by general law, apply to the Trustee.

The Trustee may at its discretion accumulate such moneys until the accumulations, together with any other funds for the time being under the control of the Trustee and available for such purpose, amount to at least

10 per cent. of the then outstanding principal amount of the Subordinated Notes and then such accumulations and funds (after deduction of, or provision for, any applicable taxes) shall be applied under Clause 8.1. For the avoidance of doubt, the Trustee shall, in no circumstances, have any discretion to invest any moneys referred to in this Clause 8 in any investments or other assets.

9 Covenants

So long as any Subordinated Note is outstanding, the Issuer will:

9.1 Books of Account

keep proper books of account and, at any time after the occurrence of an Event of Default or a Potential Event of Default or if the Trustee has reasonable grounds for believing that any such event has occurred, so far as permitted by applicable law, allow the Trustee and anyone appointed by it to whom the Issuer has no reasonable objection, access to the books of account of the Issuer at all times during normal business hours for the purpose of the performance and discharge of its functions hereunder;

9.2 Notice of Events of Default

notify the Trustee in writing immediately upon becoming aware of the occurrence of any Event of Default or Potential Event of Default or of any proposed redemption pursuant to Condition 7(b) or 7(c);

9.3 Information

so far as permitted by applicable law, give to the Trustee such opinions, certificates, evidence and information as it requires and in such form as it requires (including, without limitation, the procurement by the Issuer of any certificate called for by the Trustee pursuant to Clause 9.5) and which is necessary for the performance and discharge of its duties, trusts, powers, authorities, discretions and functions hereunder;

9.4 Financial Statements etc.

provide to the Trustee and directly to each Noteholder,

- (i) no later than 60 days after financial quarter end, the quarterly management accounts of the Issuer together with a Debt Summary for that financial quarter;
- (ii) the half yearly unaudited financial statements of the Issuer no later than 90 days after financial half year end;
- (iii) the annual audited financial statements of the Issuer (including, as applicable, all statutory financial statements) no later than 150 days after financial year end;
- (iv) the Annual Financial Condition Report for the Group no later than 30 days after filing,
- (v) a quarterly best estimate of the BSCR Ratio no later than 60 days after financial quarter end for the first three quarters of each financial year; and
- (vi) any other reports or information that the Trustee may reasonably request,

always provided that the Issuer shall not be obliged to disclose any information where disclosure would be in breach of its legal or regulatory obligations as reasonably determined upon the advice of counsel or the rules of any stock exchange on which its shares or debt instruments may be listed.

The Trustee will provide copies of any such document to any Noteholder as soon as reasonably practicable following a request by such Noteholder.

9.5 Certificate of Directors and Officers

give to the Trustee and directly to each Noteholder (a) within fourteen days after demand by the Trustee therefor and (b) (without the necessity for any such demand) (i) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial period ended 31 December 2020 and in any event not later than 180 days after the end of each such financial period and (ii) with each set of quarterly management accounts pursuant to Condition 9.4(i) in respect of each financial quarter commencing with the quarter ending 31 December 2022, a certificate of the Issuer in the form or substantially in the form set out in Schedule 5 signed by any two of its Directors on behalf of the Issuer to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as of the date of such certificate (the “**Certification Date**”), no Event of Default or Potential Event of Default or other breach of this Trust Deed by the Issuer has occurred since the date of this Trust Deed or, if later, the previous Certification Date of the last such certificate (if any) and the Issuer has complied with all of its obligations under this Trust Deed or, if such an event has occurred, giving details of it;

9.6 Notices to Noteholders

send or procure to be sent to the Trustee for approval at least 5 days in advance of any publication, a copy of the draft form of each notice to the Noteholders to be published in accordance with Condition 17 (*Notices*), and upon publication one copy of each notice so published (such approval, unless so expressed, not to constitute approval for the purposes of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom of any such notice which is an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000);

9.7 Further Acts

so far as permitted by applicable law, execute and do all such further documents, acts and things as may be necessary in the opinion of the Trustee to give effect to this Trust Deed;

9.8 Notice of Late Payment

procure the Principal Paying and Transfer Agent to notify the Trustee as soon as reasonably practicable in the event that the Principal Paying and Transfer Agent does not, on or before the due date for any payment in respect of the Subordinated Notes or any of them, receive unconditionally pursuant to the Agency Agreement payment of the full amount in the requisite currency of the moneys payable on such due date on all such Subordinated Notes and promptly give notice to the Trustee and the Noteholders of any unconditional payment to the Principal Paying and Transfer Agent or the Trustee of any sum due in respect of the Subordinated Notes made after the due date for such payment;

9.9 Notice of Early Redemption

prior to the giving of any notice of early redemption in accordance with the Conditions, deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and, certifying on the terms set out in the Conditions, the Condition under which the early redemption is made and that the conditions precedent to the right to redemption occurred. The Trustee shall, without further enquiry, accept such a certificate as sufficient evidence of the conditions precedent to such redemption and shall incur no liability to the Noteholders in respect of reliance on such a certificate;

9.10 Change in Agents

at all times maintain a Principal Paying and Transfer Agent, Registrar and Agent Bank in accordance with the Conditions and give not less than 14 days' prior notice to the Noteholders of any future appointment or any resignation or removal of any Agent or of any change by any Agent of its specified office and not make any such appointment or removal without the written approval of the Trustee;

9.11 Subordinated Notes held by the Issuer etc.

send to the Trustee as soon as practicable after being so requested in writing by the Trustee a certificate of the Issuer signed by any two of its Directors on behalf of the Issuer setting out the total number of Subordinated Notes which, at the date of such certificate, were held by or on behalf of the Issuer or as at the date specified in such request, any Subsidiary of the Issuer and which had not been cancelled;

9.12 Register

deliver or procure the delivery to the Trustee of an up-to-date copy of the Register in respect of the Subordinated Notes, certified as being a true, accurate and complete copy, at such times as the Trustee may reasonably require;

9.13 Compliance with Laws

shall ensure that it and the other members of the Group are in compliance with all laws to which each is subject except where the failure to so comply would not reasonably be expected to result in a Material Adverse Effect;

9.14 Provision of Legal Opinions

prior to making any modification or amendment or supplement to this Trust Deed or the Agency Agreement procure the delivery of (a) legal opinion(s) as to English and any other relevant law, addressed to the Trustee, dated the date of such modification or amendment or supplement, as the case may be, and in a form acceptable to the Trustee from legal advisers acceptable to the Trustee;

10 Remuneration and Indemnification of the Trustee

10.1 Normal Remuneration

So long as any Subordinated Note is outstanding, the Issuer will pay to the Trustee by way of remuneration for its services as trustee such sum as may be agreed between them in a letter on or about the date hereof. Such remuneration will accrue from day to day from the date of this Trust Deed until all the Subordinated Notes have become due for redemption, and all monies payable thereon have been paid to the Trustee or the Principal Paying and Transfer Agent. Such remuneration shall be payable on such dates as may be agreed between the Issuer and the Trustee. Such remuneration shall accrue from day to day and be payable (in priority to payments to the Noteholders) up to and including the date when, all the Subordinated Notes having become due for redemption, the redemption moneys and interest thereon to the date of redemption have been paid to the Principal Paying and Transfer Agent or, as the case may be, the Trustee provided that if any payment to a Noteholder of the moneys due in respect of any Subordinated Note is improperly withheld or refused, such remuneration will continue to accrue as from the date of such withholding or refusal until payment to such Noteholder is duly made. All remuneration payable to the Trustee shall carry interest at a rate equivalent to the Trustee's cost of funding from the due date therefor.

10.2 Extra Remuneration

At any time after the occurrence of an Event of Default or a Potential Event of Default, the Issuer hereby agrees that the Trustee shall be entitled to be paid additional remuneration calculated at its normal hourly rates in force from time to time for the performance of its services as Trustee. In any other case, if the Trustee finds it expedient or necessary in the interests of Noteholders, or is requested by the Issuer to undertake duties which the Trustee (after consultation with the Issuer, if practicable) considers to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under this Trust Deed, the Issuer will pay such additional remuneration as may be agreed between them (and which may be calculated by reference to the Trustee's normal hourly rates in force from time to time) or, failing agreement as to any of the matters in this Clause 10, as determined by an independent financial institution or person in London (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated by the President for the time being of The Law Society of England and Wales, the expenses involved in such selection and approval and the fee of such financial institution or person being borne solely by the Issuer. The determination of such financial institution or person will, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee and the Noteholders.

10.3 Expenses

The Issuer will on demand by the Trustee, pay or discharge all costs, charges, Losses and expenses incurred by the Trustee in relation to the preparation and execution of this Trust Deed and the carrying out of its functions under this Trust Deed including, but not limited to, legal and travelling expenses and any capital, stamp, registration, documentary or other similar taxes or duties paid by the Trustee in connection with any legal proceedings brought or contemplated by the Trustee against the Issuer for enforcing any obligation under this Trust Deed, the Agency Agreement, or the Subordinated Notes.

10.4 Payment of Expenses

All such costs, charges, Losses and expenses incurred and payments made by the Trustee will be payable or reimbursable by each of the Issuer on demand by the Trustee and:

10.4.1 in the case of payments made by the Trustee prior to such demand will carry interest from the date on which the demand is made at a rate equivalent to the Trustee's cost of funding on the date on which such payments were made by the Trustee; and

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

10.5 Indemnity

10.5.1 Without prejudice to the right of indemnity by law given to trustees, the Issuer shall on demand indemnify the Trustee and every Appointee and keep it indemnified against all Losses to which it may be or become subject or which may be incurred by it in the preparation and execution or purported execution of any of its trusts, powers, authorities and discretions under this Trust Deed and the Agency Agreement or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to this Trust Deed and the Agency Agreement or any such appointment (including all Losses incurred in disputing or defending any of the foregoing).

10.5.2 Notwithstanding any provision of this Trust Deed to the contrary, neither the Trustee nor any Appointee shall in any event be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits, loss of business, loss of goodwill, loss of opportunity, whether direct or indirect), whether or not foreseeable, whether or not the Trustee can reasonably be regarded as having assumed responsibility at the time this Trust Deed is entered into and even if the Trustee or such Appointee has been advised of the likelihood of such loss or damage unless the claim for loss or damage is made in respect of fraud on the part of the Trustee.

10.5.3 The Contract (Rights of Third Parties) Act 1999 shall apply to this Clause 10.5.

10.6 Tax Gross-Up

All payments in respect of the Issuer's obligations hereunder shall be made free and clear of, and without set-off, counterclaim, withholding or deduction for, any taxes, funds, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected or assessed by or within any Relevant Jurisdiction or any jurisdiction through which payment is made, unless such withholding or deduction is required by law. If the Issuer makes a payment in relation to which the Issuer must make a tax deduction or a withholding for or on account of the above mentioned taxes, the Issuer shall pay such increased amounts as will result in the receipt by the Trustee of such amounts as would have been received by it if no such set-off, counterclaim, withholding or deduction had been required.

10.7 Provisions Continuing

The provisions of Clauses 10.3, 10.4 and 10.5 shall survive the satisfaction and discharge of the terms of this Trust Deed and will continue in full force and effect in relation to the Trustee even if it may have ceased to be Trustee.

11 Provisions Supplemental to the Trustee Act 1925 and the Trustee Act 2000

Section 1 of the Trustee Act 2000 shall not apply to the duties of the Trustee in relation to the trusts constituted by this Trust Deed. Where there are any inconsistencies between the Trustee Act 1925, the Trustee Act 2000 and the provisions of this Trust Deed, the provisions of this Trust Deed shall, to the extent allowed by law, prevail and, in the case of any such inconsistency with the Trustee Act 2000, the provisions of this Trust Deed shall constitute a restriction or exclusion for the purposes of that Act. The Trustee shall have all the powers conferred on Trustees by the Trustee Act 1925 and the Trustee Act 2000 and, by way of supplement, it is expressly declared as follows:

11.1 Advice

The Trustee may rely and act on the opinion or advice of, or information obtained from, any expert or a certificate or report or confirmation of any accountants, financial advisers, investment bankers, lawyers or experts in each case whether or not addressed to the Trustee and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other Person or in any other manner) by reference to a monetary cap, methodology or otherwise, and the Trustee will not be responsible to anyone for any loss occasioned by so relying and acting whether such advice is obtained or addressed to the Issuer, the Trustee or any other Person. Any such opinion, advice, confirmation, certificate, report or information may be sent or obtained by letter, email, telex or facsimile transmission and the Trustee will not be liable to anyone for relying or acting in good faith on any opinion, advice, confirmation, certificate, report or information purporting to be conveyed by such means even if it

contains some error or is not authentic. The Trustee may accept and be entitled to rely without liability on any such opinion, advice, information, report, confirmation or certificate where the Issuer procures delivery of the same pursuant to its obligation to do so under a condition hereof and such report, confirmation or certificate shall be conclusive and binding on the Issuer, the Trustee and the Noteholders in the absence of manifest error.

11.2 Trustee to Assume Due Performance

The Trustee need not notify anyone of the execution of this Trust Deed or do anything to ascertain whether any Event of Default or Potential Event of Default has occurred and will not be responsible to Noteholders or any other Person for any loss arising from any failure by it to do so and, until it has actual knowledge or express notice to the contrary, the Trustee may assume that no such event has occurred and that the Issuer is performing all its respective obligations under this Trust Deed and the Subordinated Notes.

11.3 Resolutions of Noteholders

The Trustee will not be responsible for having acted in good faith upon any Extraordinary Resolution in writing or upon a resolution purporting to have been passed at a meeting of Noteholders in respect of which minutes have been made and signed or any direction or request of Noteholders even though it may later be found that there was a defect in the constitution of such meeting or the passing of such resolution or that (in the case of an Extraordinary Resolution in writing, a direction or request) it was not signed by the requisite number of Noteholders or that for any reason such resolution was not valid or binding upon the Noteholders.

11.4 Certificate Signed by Directors

The Trustee may call for and may accept as sufficient evidence of any fact or matter or of the expediency of any act a certificate (whether or not such certificate is addressed to the Trustee) of the Issuer signed by any two Directors of the Issuer to any fact or matter upon which the Trustee may, in the exercise of any of its functions, require to be satisfied or to have information to the effect that, in the opinion of the person or persons so certifying, any particular act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss that may be occasioned by acting on any such certificate.

11.5 Deposit of Documents

The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit this Trust Deed and any other documents with such custodian and pay all sums due in respect thereof and the Trustee shall not be responsible for or required to insure against any Losses incurred in connection therewith. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

11.6 Custodians/Nominees

In relation to any asset held by it under this Trust Deed, the Trustee may appoint any Person to act as its custodian or nominee (being an Appointee hereunder) on any terms.

11.7 Discretion of Trustee

Save as expressly provided in this Trust Deed, the Trustee will have absolute and uncontrolled discretion as to the exercise of its functions hereby vested in the Trustee and will not be responsible for the exercise or non-exercise thereof nor for any loss, liability, cost, claim, action, demand, expenses or inconvenience which may result from their exercise or non-exercise, but, whenever the Trustee is (under the provisions of this

Trust Deed or the Subordinated Notes) bound to act at the request or direction of the Noteholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or secured and/or prefunded to its satisfaction.

11.8 Agents

Whenever it considers it expedient in the interests of the Noteholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent (being an Appointee hereunder) selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money). The Trustee shall not be in any way responsible for any Losses incurred by reason of any misconduct or default on the part of any such agent or be bound to supervise the proceedings or acts of any such agent.

11.9 Consent

Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in this Trust Deed may be given retrospectively. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in these presents) if it is satisfied that the interests of the Noteholders are not materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Noteholders in relation to such matters other than that which is contained in the preceding sentence.

11.10 Delegation

Whenever it considers it expedient in the interests of the Noteholders, the Trustee may delegate to any Person (being an Appointee hereunder) and on any terms (including power to sub-delegate) all or any of its trusts, powers, authorities, discretions or functions. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Noteholders think fit. The Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Losses incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate.

11.11 Forged Notes

The Trustee will not be liable to the Issuer or any Noteholder by reason of having accepted as valid or not having rejected any entry in the Register or any Subordinated Note purporting to be such and later found to be forged or not authentic.

11.12 Confidentiality

Unless ordered to do so by a court of competent jurisdiction, the Trustee shall not be required to disclose to any Noteholder or any third party any confidential financial or other information made available to the Trustee by the Issuer and no Noteholder shall be entitled to take any action to obtain from the Trustee any such information.

11.13 Determinations Conclusive

As between itself and the Noteholders, the Trustee may determine all questions and doubts arising in relation to any of the provisions of this Trust Deed. Every such determination, whether made upon such a question

actually raised or implied in the acts or proceedings of the Trustee, will be conclusive in the absence of manifest error and shall bind the Trustee and the Noteholders.

11.14 Determination of Events of Default or Potential Events of Default

The Trustee may determine whether or not an Event of Default or Potential Event of Default is in its opinion capable of remedy. Any such determination will be conclusive and binding on the Issuer and the Noteholders.

11.15 Currency Conversion

Where it is necessary or desirable for any purpose in connection with the terms of this Trust Deed or the Conditions to convert any sum from one currency to another, it will (unless otherwise provided herein or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer and the Noteholders.

11.16 Payment for and Delivery of Notes

The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Subordinated Notes, the exchange of the interests between the Subordinated Notes represented by Global Notes or the delivery of Definitive Notes to the persons entitled to them.

11.17 Notes held by the Issuer etc.

In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer under Clause 9.5) that those Subordinated Notes (if any) which are beneficially held by, or are held on behalf of, the Issuer or any Subsidiary of the Issuer and not yet cancelled shall be deemed not to remain outstanding.

11.18 Interests of Noteholders

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any proposed modification, waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of this Trust Deed or any proposed substitution in accordance with Clause 15.2 or any determination made pursuant to Clause 15.2), the Trustee shall have regard to the interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders and in particular, but without prejudice to the generality of the foregoing, shall not have regard to the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer or the Trustee, any indemnification or payment of any tax arising in consequence of any such exercise upon individual Noteholders.

11.19 Enforcement of Rights

As referred to in Condition 10 (*Default and Remedies on Default*), the Trustee need not take any such steps, action or proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the Requisite Holders and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

11.20 Responsibility for Agents etc.

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

11.21 Incurrence of Financial Liability

Nothing contained in this Trust Deed shall require the Trustee to do anything which (a) may be illegal or contrary to applicable law or regulation or (b) may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any power, rights, authority or discretion hereunder if it has grounds for believing the repayment or prepayment of the funds or adequate indemnity and/or security and/or prefunding against such risk or liability is not reasonably assured to it.

11.22 Independent Adviser

The Trustee has no responsibility for the accuracy, completeness, timeliness or otherwise of any determination made by an Independent Adviser pursuant to the Conditions.

11.23 Reliance on Certification of Clearing System

The Trustee may call for and shall be at liberty to accept and place full reliance on as sufficient evidence thereof and shall not be liable to the Issuer or any Noteholder by reason only of either having accepted as valid or not having rejected any certificate or other document issued by any clearing system as to the nominal amount of the Subordinated Notes beneficially owned by any Person or any other matter (and any such certificate or other document so accepted by the Trustee shall, in the absence of manifest error, be conclusive and binding for all purposes) and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s Creation Online system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Subordinated Notes is clearly identified together with the amount of such holding.

11.24 Legal Opinions

The Trustee shall not be responsible to any Person for failing to request, require or receive any legal opinion relating to any Subordinated Notes or for checking or commenting upon the content of any such legal opinion and shall not be responsible for any loss, damage, costs, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever incurred thereby. The Trustee shall be entitled to call for and rely upon, and the Issuer shall be obliged to procure the delivery of, legal opinions, addressed to the Trustee dated the date of such delivery and in a form and content acceptable to the Trustee.

11.25 Trustee not Responsible

The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto, any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of this Trust Deed or any other document relating thereto. In addition, the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder.

11.26 Right to Deduct or Withhold

Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whensoever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

11.27 Responsibility for Statements etc.

The Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any Person contained in this Trust Deed, or any other agreement or document relating to the transactions contemplated in this Trust Deed or under such other agreement or document.

11.28 Not bound to act

The Trustee shall not be bound to take any step, proceeding or action in connection with the Subordinated Notes, this Trust Deed or any obligations arising hereunder, including without prejudice to the generality of the foregoing, forming any opinion or employing any financial adviser, where it is not satisfied that it will be indemnified and/or secured and/or prefunded to its satisfaction in connection with such step, proceeding or action and may demand prior to taking any such step, proceeding or action that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify and/or secure and/or prefund it and on such demand being made by it, the Issuer shall be obliged to make payment of all such sums in full.

11.29 Trustee right to charge

Any trustee of this Trust Deed being a lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his firm in connection with the trusts of this Trust Deed and also his proper charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in connection with this Trust Deed.

11.30 Merger

Any corporation into which the Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall be a party hereto and shall be the Trustee under this Trust Deed without executing or filing any paper or document or any further act on the part of the parties thereto.

11.31 Worst case scenario

When determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled to evaluate its risk in any given circumstance by considering the worst-case scenario and, for this purpose, it may take into account, without limitation, the potential costs of defending or commencing proceedings in England or elsewhere and the risk, however remote, of any award of damages against it in England or elsewhere.

11.32 Financial standing of indemnifier

The Trustee shall be entitled to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence reasonably satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

11.33 The Trustee shall not be responsible for any consolidation, amalgamation, merger, reconstruction or scheme of the Issuer or any sale or transfer of all or substantially all of the assets of the Issuer or the form or substance of any plan relating thereto or the consequences thereof for any Noteholder. The Trustee shall be entitled to require from the Issuer such opinions, consents, documents and other matters at the expense of the Issuer in connection with the foregoing as it may consider appropriate and may rely on such consents, opinions and documents without liability to any person.

12 Trustee liable for negligence

Nothing in this Trust Deed shall in any case in which the Trustee fails to show the degree of care and diligence required of it as trustee having regard to the provisions of this Trust Deed conferring on it any trusts, powers, authorities or discretions exempt the Trustee from or indemnify it from or against any liability which would otherwise attach to it in respect of any gross negligence, wilful default or fraud of which it may be guilty in relation to its duties under this Trust Deed.

13 Waiver and Proof of Default

13.1 Waiver

The Trustee may, without the consent of the Noteholders and without prejudice to its rights in respect of any subsequent breach, Event of Default or Potential Event of Default, from time to time and at any time, if in its opinion the interests of the Noteholders are not materially prejudiced thereby, waive or authorise, on such terms and conditions as seem expedient to it, any breach or proposed breach by the Issuer of any of the provisions of the Conditions, this Trust Deed, any trust deed supplemental to this Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement or the Subordinated Notes or determine that any Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of any express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10 (*Default and remedies on default*) but so that no such direction or request will affect any previous waiver, authorisation or determination. Any such waiver, authorisation or determination may be made on such terms and subject to such conditions as the Trustee may determine, will be binding on the Noteholders and, if the Trustee so requires, will be notified to the Noteholders promptly in accordance with Condition 17 (*Notices*).

13.2 Proof of Default

If it is proved that as regards any specified Note the Issuer has made default in paying any sum due to the relevant Noteholder such proof will (unless the contrary be proved) be sufficient evidence that the same default has been made as regards all other Subordinated Notes which are then payable.

14 Trustee not precluded from entering into Contracts

Neither the Trustee nor any director or officer of a corporation acting as a Trustee, whether acting for itself or in any other capacity, will be precluded from becoming the owner of, or acquiring any interest in, or holding, or disposing of, any Subordinated Notes or any Ordinary Shares or securities of the Issuer or any of its subsidiaries, holding or associated companies with the same rights as it would have had if the Trustee were not the Trustee or from entering into or being interested in any contracts or transactions with the Issuer or any of its subsidiaries holding or associated companies or from acting on, or as depositary or agent for, any committee or body of holders of any securities of the Issuer or any of its Subsidiaries, holding or associated companies and will not be liable to account for any profit resulting therefrom.

15 Modification and Substitution

15.1 Modification

The Trustee may agree with the Issuer, without the consent of the Noteholders, to (i) any modification of any of the provisions of this Trust Deed, any trust deed supplemental to this Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Subordinated Notes or the Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) other than with respect to Reserved Matters, any other modification to this Trust Deed, any trust deed supplemental to this Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Subordinated Notes or the Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. Any such modification or authorisation shall be subject to such terms and conditions as the Trustee may determine, shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders promptly in accordance with Condition 17 (*Notices*).

15.2 Substitution

15.2.1 The Trustee may, without the consent of the Noteholders, agree to the substitution of the Issuer's successor in business, transferee or assignee or any Subsidiary of the Issuer or its successor in business, transferee or assignee (the "**Substituted Obligor**") in place of the Issuer (or of any previous substitute under this sub-clause) as the principal debtor under this Trust Deed and the Subordinated Notes **provided that**:

- (i) the Subordinated Notes are unconditionally and irrevocably guaranteed by the Issuer in a form and manner satisfactory to the Trustee;
- (ii) the Trustee is satisfied that the interests of the Noteholders are not materially prejudiced by the substitution;
- (iii) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by this Trust Deed and the Subordinated Notes (with consequential amendments as the Trustee may deem

appropriate) as if the Substituted Obligor had been named in this Trust Deed and the Subordinated Notes as the principal debtor in place of the Issuer;

- (iv) if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the “**Substituted Territory**”) other than the Issuer’s, the Substituted Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 (*Taxation*) with the substitution for the references in that Condition to the Issuer’s Territory of references to the Substituted Territory whereupon this Trust Deed and the Notes will be read accordingly;
- (v) if any two directors of the Substituted Obligor certify that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor’s financial condition, profits or prospects or compare them with those of the Issuer;
- (vi) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Noteholders;
- (vii) (unless all or substantially all of the assets of the Issuer or any previous Substituted Obligor are transferred to the Substituted Obligor) an unconditional and irrevocable guarantee in form and substance satisfactory to the Trustee is given by the Issuer or any previous Substituted Obligor (as applicable) of the obligations of the Substituted Obligor under this Trust Deed shall have been given;
- (viii) the Trustee is satisfied that (i) the Substituted Obligor has obtained any governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor under these presents and in respect of the Subordinated Notes, the Receipts and the Coupons in place of the Issuer or any previous Substituted Obligor (as applicable) and (ii) such approvals and consents are at the time of substitution in full force and effect;
- (ix) the Trustee is provided with such legal opinions as it may require in respect of such substitution in form and substance satisfactory to it;
- (x) Release of Issuer and Substitute Obligor: Any such agreement by the Trustee pursuant to this Clause 15.2 will, if so expressed, operate to release the Issuer (or any such previous Substituted Obligor) from any or all of its obligations under this Trust Deed and the Subordinated Notes. Not later than 14 days after the execution of any such documents and after compliance with such requirements, notice of the substitution will be given to the Noteholders;
- (xi) Completion of Substitution: Upon the execution of such documents and compliance with such requirements, the Substituted Obligor will be deemed to be named in this Trust Deed and the Subordinated Notes as the principal debtor in place of the Issuer (or of any previous Substituted Obligor under this Clause 15.2) and this Trust Deed and the Subordinated Notes will be deemed to be modified in such manner as shall be necessary to give effect to the substitution and, without prejudice to the generality of the foregoing, any references in this Trust Deed or the Subordinated Notes to the Issuer shall be deemed to be references to the Substituted Obligor. Any such substitution shall be binding on the Noteholders and

shall be notified promptly to the Noteholders in accordance with Condition 17 (*Notices*); and

- (xii) Refusal by Trustee: The Trustee shall be entitled to refuse to approve any Substituted Obligor if, pursuant to the law of the jurisdiction of incorporation of the Substituted Obligor, the assumption by the Substituted Obligor of its obligations hereunder imposes responsibilities on the Trustee over and above those which have been assumed under this Trust Deed.

16 Appointment, Retirement and Removal of the Trustee

16.1 Appointment

The Issuer will have the power of appointing new trustees but no Person will be so appointed unless previously approved by Noteholders of at least a majority of the aggregate principal amount of outstanding Subordinated Notes. A trust corporation will at all times be a Trustee and may be the sole Trustee. Any appointment of a new Trustee will be notified by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable.

16.2 Retirement and Removal

Any Trustee may retire at any time on giving not less than sixty (60) days prior notice in writing to the Issuer without giving any reason and without being responsible for any costs occasioned by such retirement and the Noteholders may by Extraordinary Resolution remove any Trustee provided that the retirement or removal of any sole trustee or sole trust corporation will not become effective until a trust corporation is appointed as successor Trustee. If a sole trustee or sole trust corporation gives notice of retirement or an Extraordinary Resolution is passed for its removal under this Clause, the Issuer will use all reasonable endeavours to procure that another trust corporation be appointed as Trustee, but if the Issuer has failed to do so within sixty (60) days of such notice being given or since the date of such Extraordinary Resolution, the Trustee may (at the Issuer's sole expense) exercise the power of appointing a successor trustee.

16.3 Co-Trustees

The Trustee may, despite Clause 16.1, by notice in writing to the Issuer appoint anyone to act as an additional Trustee jointly with the Trustee:

- 16.3.1** if the Trustee considers such appointment to be in the interests of the Noteholders;
- 16.3.2** for the purpose of conforming with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed; or
- 16.3.3** for the purpose of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction against the Issuer of either a judgment already obtained or any of the provisions of this Trust Deed.

Subject to the provisions of this Trust Deed the Trustee may confer on any person so appointed such functions as it thinks fit. The Trustee may by notice in writing to the Issuer and such person remove any person so appointed. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable Losses incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of this Trust Deed be treated as Losses incurred by the Trustee. At the request of the Trustee, the Issuer will do all things as may be required to perfect such appointment or removal and irrevocably appoints the Trustee to be their attorney in their name and on their behalf to do so.

16.4 Competence of a Majority of Trustees

If there are more than two Trustees appointed hereunder, the majority of such Trustees will (provided such majority includes a trust corporation) be competent to carry out all or any of the Trustee's functions under this Trust Deed.

17 NOTES HELD IN CLEARING SYSTEMS AND COUPONHOLDERS

17.1 Notes Held in Clearing Systems

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

18 Currency Indemnity

18.1 Currency of Account and Payment:

The U.S. dollar (the “**Contractual Currency**”) is the sole currency of account and payment for all sums payable by the Issuer under or in connection with this Trust Deed and the Subordinated Notes, including damages, other than in relation to payments to the Trustee (i) pursuant to Clause 10.1 for which the Contractual Currency is the currency of payment as specified in such letter referred to in Clause 10.1 and (ii) pursuant to Clauses 10.2 to 10.6 inclusive for which the Contractual Currency shall be the currency of payment as agreed between the Issuer and the Trustee.

18.2 Extent of discharge:

An amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise), by the Trustee or any Noteholder in respect of any sum expressed to be due to it from the Issuer will only discharge the Issuer to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

18.3 Indemnity:

If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed or the Subordinated Notes, the Issuer will indemnify it against any loss sustained by it as a result. In any event, the Issuer will indemnify the recipient against the cost of making any purchase.

18.4 Indemnity separate:

The indemnities in this Clause 18 and in Clause 10.5 constitute separate and independent obligations from the other obligations in this Trust Deed, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Trustee and/or any Noteholder and will continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed and/or the Subordinated Notes or any other judgment or order.

19 Communications

Any communication shall be by letter delivered personally or facsimile transmission in the English language:

in the case of the Issuer to it at:

R&Q Insurance Holdings Ltd.
71 Fenchurch Street
London
EC3M 4BS
Email: secretariat@rqih.com, copied to david.gormley@rqih.com
Attention: Company Secretary

in the case of the Trustee, to it at:

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB

Email: tss-gds@db.com
Fax no: +44 20 7547 1089
Attention: Managing Director

Any such communication will take effect, in the case of delivery, at the time of delivery or, in the case of facsimile transmission, at the time of despatch.

In no event shall the Trustee be liable for any Losses arising to the Trustee receiving or transmitting any data from the Issuer or its Authorised Person via any non-secure method of transmission or communication, such as, but without limitation, by facsimile or email, unless such Losses arise as a result of the failure of communications systems operated by the Trustee.

The Issuer accepts that some methods of communication are not secure and the Trustee shall incur no liability for receiving, and the Issuer shall indemnify the Trustee in respect of, Instructions via any such non-secure method, unless such Losses arise as a result of the failure of communications systems operated by the Trustee. The Trustee is authorised to comply with and rely upon any such notice, Instructions or other communications believed by it to have been sent or given by an Authorised Person. The Issuer shall use all reasonable endeavours to ensure that Instructions transmitted to the Trustee pursuant to this Trust Deed are complete and correct. Any Instructions shall be conclusively deemed to be valid instructions from the Issuer to the Trustee for the purposes of this Trust Deed.

20 Governing Law and Jurisdiction

20.1 Governing Law

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

20.2 Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Trust Deed and the Subordinated Notes and accordingly any legal action or proceedings

arising out of or in connection with this Trust Deed or the Subordinated Notes (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

20.3 Service of Process

The Issuer irrevocably appoints R&Q Central Services Limited at its registered office for the time being at 71 Fenchurch Street (Ground Floor), London, United Kingdom EC3M 4BS to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, the Issuer irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment. Nothing shall affect the right to serve process in any other manner permitted by law.

21 Counterparts

This Trust Deed and any Trust Deed supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same deed and any party to this Trust Deed or any Trust Deed supplemental hereto may enter into the same by executing and delivering a counterpart. Delivery of an executed counterpart of a signature page to this Trust Deed by facsimile or other electronic transmission (e.g., a “pdf” or “tif” sent by e-mail) shall be effective as delivery of a manually executed counterpart thereof.

22 Contracts (Rights of Third Parties) Act 1999

A Person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Trust Deed except and to the extent (if any) that this Trust Deed expressly provides for such Act to apply to any of its terms. The parties to this Trust Deed shall have the right to amend, vary or rescind any provision of this Trust Deed without the consent of any such third party.

IN WITNESS whereof this Trust Deed has been executed as a deed by the Issuer and the Trustee and delivered on the date first stated on page 1.

Schedule 1
Form of Definitive Notes

On the front:

Common Code:

ISIN:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW.

EACH PURCHASER OF THE NOTE EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON AN EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY REGULATION D THEREUNDER OR ANOTHER EXEMPTION THEREUNDER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OR RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THIS NOTE.

BY ITS ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE HOLDER:

(1) REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A) OR A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR QUALIFIED PURCHASER;

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL OFFER, SELL, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE ONLY (A) TO THE ISSUER, (B) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A OR A QUALIFIED PURCHASER, IN EACH CASE PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE); AND

(3) AGREES, FOR THE BENEFIT OF THE ISSUER THAT IT WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTE EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (2) ABOVE.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

R&Q Insurance Holdings Ltd.
(incorporated under the laws of Bermuda)

USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033

The Subordinated Notes represented by this certificate form part of a series designated as specified in the title (the “**Subordinated Notes**”) of R&Q Insurance Holdings Ltd. (the “**Issuer**”, previously known as Randall & Quilter Investment Holdings Ltd.). The Subordinated Notes are constituted by a trust deed dated ____ 2020 (the “**Trust Deed**”) among the Issuer, and Deutsche Trustee Company Limited (the “**Trustee**”). The Subordinated Notes are subject to, and have the benefit of, that Trust Deed and the terms and conditions (the “**Conditions**”) endorsed hereon. Terms defined in the Trust Deed have the same meanings when used herein.

The Issuer hereby certifies that _____ of _____ is, at the date hereof, entered in the register of Noteholders as the holder of Subordinated Notes in the principal amount of USD _____. For value received, the Issuer promises to pay the Person who appears at the relevant time on the register of Noteholders as holder of the Subordinated Notes in respect of which this Subordinated Note is issued such principal amount as shall become due and payable from time to time in respect of such principal amount of the Subordinated Notes and otherwise to comply with the Conditions.

Interest at rates determined in accordance with the said Conditions is payable on the said principal sum three-monthly in arrear on 31 March, 30 June, 30 September and 31 December in each year, subject to and in accordance with the said Conditions and the provisions of the Trust Deed.

The statements set forth in the legend above are an integral part of the Subordinated Note or Subordinated Notes in respect of which this certificate is issued and by acceptance thereof each holder agrees to be subject to and bound by the terms and provisions set forth in such legend.

This definitive registered Subordinated Note is evidence of entitlement only. Title to the Subordinated Notes passes only in accordance with Condition 3(c) and only on due registration on the register of Noteholders and only the duly registered holder is entitled to payments in respect of this definitive registered Subordinated Note.

This definitive registered Subordinated Note shall not be valid for any purpose until authenticated by or on behalf of the Registrar.

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

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under this Subordinated Note.

Issued as of _____ [insert date]

R&Q INSURANCE HOLDINGS LTD.

By: _____

Name: _____

Title: Director _____

Certificate of Authentication

Certified by or on behalf of the Registrar that the above-named holder is at the date hereof entered in the register of Noteholders as holder of the above-mentioned principal amount of Subordinated Notes.

DEUTSCHE BANK LUXEMBOURG S.A.

(as Registrar) (without warranty, recourse or liability)

By: _____

Name: _____

Title: _____

On the back:

[The Terms and Conditions of the Notes will be inserted]

FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby transfers

to []

[]

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE)

U.S.\$ [] principal amount of the Subordinated Note(s) in respect of which this definitive Subordinated Note is issued, and all rights under it or them, and irrevocably constitutes and appoints [] as attorney to transfer such principal amount on the books kept for registration thereof, with full power of substitution.

Dated [] []

Signed [] Certifying Signature

Note:

- (i) The signature to this transfer must correspond with the name as it appears on the face of this Subordinated Note.
- (ii) A representative of the registered Noteholder should state the capacity in which he signs e.g. executor.
- (iii) The signature of the person effecting a transfer shall conform to any list of duly authorised specimen signatures supplied by the registered Noteholder or be certified by a recognised bank, notary public or in such other manner as the relevant Paying and Transfer Agent may require.

SCHEDULE 2
FORM OF GLOBAL NOTE

COMMON CODE:
ISIN:

THIS IS A GLOBAL NOTE WITHIN THE MEANING OF THE TRUST DEED REFERRED TO HEREINAFTER.

*THE NOTE EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW.*

*EACH PURCHASER OF THE NOTE EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON AN EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER (“**RULE 144A**”) OR ANOTHER EXEMPTION THEREUNDER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A OR RULE 144 UNDER THE SECURITIES ACT FOR RESALE OF THE NOTE EVIDENCED HEREBY*

BY ITS ACQUISITION HEREOF OR A BENEFICIAL INTEREST HEREIN, THE ACQUIRER:

(1) REPRESENTS FOR THE BENEFIT OF THE ISSUER THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A) OR A “QUALIFIED PURCHASER” (AS DEFINED IN SECTION 2(A)(51) OF THE INVESTMENT COMPANY ACT AND ACQUIRING THE NOTE EVIDENCED HEREBY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR QUALIFIED PURCHASER;

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL OFFER, SELL, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTE EVIDENCED HEREBY ONLY (A) TO THE ISSUER, (B) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A OR A QUALIFIED PURCHASER, IN EACH CASE PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, OR (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) AND

(3) AGREES, FOR THE BENEFIT OF THE ISSUER THAT IT WILL, AND EACH SUBSEQUENT ACQUIRER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTE EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (2) ABOVE.

RANDALL & QUILTER INVESTMENT HOLDINGS LTD.

(incorporated under the laws of Bermuda with registered office in Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and registered with the Companies' Register of Bermuda number 47341)

USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033

The Subordinated Notes in respect of which this Global Note is issued and is designated as specified in the title (the “**Subordinated Notes**”) of **Randall & Quilter Investment Holdings Ltd.** (the “**Issuer**”).

The Issuer hereby certifies that, [] is, at the date hereof, entered in the register of Noteholders as the holder of Subordinated Notes in the principal amount of

USD 125,000,000

One hundred and twenty five million dollars

or such other amount as is shown on the register of Noteholders as being represented by this Global Note. For value received, the Issuer promises to pay the Person whose name is entered on the register of Noteholders as holder of the Subordinated Notes in respect of which this Global Note is issued at the close of business on the Clearing System Business Day immediately prior to the date for payment, such principal amount as shall become due and payable from time to time in respect of such principal amount of the Subordinated Notes and otherwise to comply with the Conditions referred to below where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January. The Issuer promises to pay interest quarterly in arrear on 31 March, 30 June, 30 September and 31 December in each year at the rate or rates set forth in the Conditions (as defined below).

The Subordinated Notes are constituted by a Trust Deed dated ____ 2020 (the “**Trust Deed**”) between the Issuer, and Deutsche Trustee Company Limited as trustee (the “**Trustee**”) and are subject to the Trust Deed and the terms and conditions (the “**Conditions**”) set out in Schedule 4 to the Trust Deed, as modified by the provisions of this Global Note. Terms defined in the Trust Deed have the same meaning when used herein.

This Global Note is evidence of entitlement only.

Subordinated Notes represented by this Global Note are exchangeable and transferable only in accordance with, and subject to, the provisions hereof, Condition 3(c) and the rules and operating procedures of Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**).

Exchange

Owners of beneficial interests in the Subordinated Notes in respect of which this Global Note is issued will be entitled to have title to the Subordinated Notes registered in their names and to receive individual definitive registered Subordinated Notes if Euroclear or Clearstream, Luxembourg (or any other clearing system as shall have been designated by the Issuer and approved by the Trustee on behalf of which the Subordinated Notes evidenced by this Global Note may be held) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the Issuer will cause sufficient individual definitive registered Subordinated Notes to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholders within 60 days of the occurrence of the relevant event. A Person with an interest in the

Subordinated Notes represented by this Global Note must provide the Registrar with (i) a written order containing instructions and other such information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive registered Subordinated Notes and (ii) a certificate to the effect that such Person is not transferring its interest in this Global Note.

Until the exchange of the whole of this Global Note as aforesaid, the registered holder hereof shall in all respects be entitled to the same benefits as if he were the registered holder of Definitive Notes in the form set out in Schedule 1 to the Trust Deed.

The Conditions are modified as follows in so far as they apply to the Subordinated Notes represented by this Global Note as issued.

The statements set out in the legend above are an integral part of the Subordinated Note or Subordinated Notes in respect of which this Global Note is issued and by acceptance hereof each holder or beneficial owner of the Subordinated Notes evidenced by this Global Note or any owner of an interest in such Subordinated Notes agrees to be subject to and bound by the terms of such legend.

Meetings

The holder hereof shall be treated as having one vote in respect of each USD1.00 in principal amount of Subordinated Notes represented by this Global Note. The holder hereof or any proxy appointed by it shall be treated as one Person for the purposes of quorums for meetings. The Trustee may allow to attend and speak (but not to vote) at any meeting of Noteholders any accountholder (or the representative of any such Person) of a clearing system with an interest in the Subordinated Notes represented by this Global Note on confirmation of entitlement and proof of his identity.

Redemption at the Option of the Issuer

The options of the Issuer provided for in Conditions 7(c) to 7(e) shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, the relevant Condition.

Trustee's Powers

In considering the interests of Noteholders the Trustee may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Subordinated Notes and (b) consider such interests on the basis that such accountholders were the holders of the Subordinated Notes represented by this Global Note.

Enforcement

For the purposes of enforcement of the provisions of the Trust Deed against the Trustee, the persons named in a certificate of the holder of the Subordinated Notes represented by this Global Note shall be recognised as the beneficiaries of the trusts set out in the Trust Deed to the extent of the principal amount of their interest in the Subordinated Notes set out in the certificate of the holder as if they were themselves the holders of Subordinated Notes in such principal amounts.

Purchase and Cancellation

Cancellation of any Subordinated Note following its purchase will be effected by reduction in the principal amount of the Subordinated Notes in the Register.

Cancellation of any Subordinated Note following its purchase will be effected by reduction in the principal amount of the Subordinated Notes in the Register.

References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.

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

Notices

So long as Subordinated Notes are represented by this Global Note and this Global Note is held on behalf of Euroclear or Clearstream, Luxembourg, notices to the holders of such Subordinated Notes may be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for notification, as required by the Conditions. Any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any Notes held by a Noteholder are represented by this Global Note, notices to be given by such Noteholder may be given by such Noteholder to the Principal Paying and Transfer Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such a manner as the Principal Paying and Transfer Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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

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

This Global Note may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same Global Note and any party to this Global Note may enter into the same by executing and delivering a counterpart. Delivery of an executed counterpart of a signature page to this Global Note by facsimile or other electronic transmission (e.g., a “pdf” or “tif” sent by e-mail) shall be effective as delivery of a manually executed counterpart thereof.

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

Dated _____ 20__

RANDALL & QUILTER INVESTMENT HOLDINGS LTD.

By: _____

Name: _____

Title: Director _____

Certificate of Authentication

Certified that the above-named holder is at the date hereof entered in the register of Noteholders as holder of the above-mentioned principal amount of Subordinated Notes.

DEUTSCHE BANK LUXEMBOURG S.A.

(as Registrar) (without warranty, recourse or liability)

By: _____

Name: _____

Title: _____

[Signature Page to Global Note]

Schedule 3
Provisions for meetings of Noteholders

DEFINITIONS

1. As used in this Schedule the following expressions shall have the following meanings unless the context otherwise requires:

Block Voting Instruction means an English language document issued by a Paying and Transfer Agent in which:

- (a) it is certified that on the date thereof Subordinated Notes represented by the Global Note or Definitive Notes which are held in an account with any Clearing System (in each case not being Subordinated Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction) are blocked in an account with a Clearing System and that no such Subordinated Notes will cease to be so blocked until the first to occur of:
 - (1) the conclusion of the meeting specified in such Block Voting Instruction; and
 - (2) the Subordinated Notes ceasing with the agreement of the Paying and Transfer Agent to be so blocked and the giving of notice by the Paying and Transfer Agent to the Issuer in accordance with paragraph 3(E) of the necessary amendment to the Block Voting Instruction;
- (b) it is certified that each holder of such Subordinated Notes has instructed such Paying and Transfer Agent that the vote(s) attributable to the Subordinated Notes so blocked should be cast in a particular way in relation to the resolution(s) to be put to such meeting and that all such instructions are, during the period commencing 48 Hours prior to the time for which such meeting is convened and ending at the conclusion or adjournment thereof, neither revocable nor capable of amendment;
- (c) the aggregate principal amount of the Subordinated Notes so deposited or held or blocked is listed distinguishing with regard to each such resolution between those in respect of which instructions have been given that the votes attributable thereto should be cast in favour of the resolution and those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution; and
- (d) one or more persons named in such Block Voting Instruction (each hereinafter called a **proxy**) is or are authorised and instructed by such Paying and Transfer Agent to cast the votes attributable to the Subordinated Notes so listed in accordance with the instructions referred to in (c) above as set out in such Block Voting Instruction;

Clearing System means Euroclear and/or Clearstream, Luxembourg and includes in respect of any Subordinated Note any clearing system on behalf of which such Subordinated Note is held or which is the holder or (directly or through a nominee) registered owner of a Subordinated Note, in either case whether alone or jointly with any other Clearing System(s). For the avoidance of doubt, the provisions of sub-clause 1.2.9 shall apply to this definition;

Eligible Person means any one of the following persons who shall be entitled to attend and vote at a meeting:

- (a) a holder of a Subordinated Note in definitive form which is not held in an account with any Clearing System;
- (b) a bearer of any Voting Certificate;
- (c) a proxy specified in any Block Voting Instruction; and
- (d) a proxy appointed by a holder of a Subordinated Note in definitive form which is not held in an account with any Clearing System;

Extraordinary Resolution means:

- (a) a resolution passed at a meeting duly convened and held in accordance with this Trust Deed by a majority consisting of not less than sixty-six and two-thirds ($66 \frac{2}{3}$) per cent. of the Eligible Persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than sixty-six and two-thirds ($66 \frac{2}{3}$) per cent. of the votes cast on such poll; or
- (b) a resolution in writing signed by or on behalf of sixty-six and two-thirds ($66 \frac{2}{3}$) per cent. in principal amount of the Subordinated Notes which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the holders;

Voting Certificate means an English language certificate issued by a Paying and Transfer Agent in which it is stated:

- (a) that on the date thereof Subordinated Notes represented by the Global Note or Definitive Notes which are held in an account with any Clearing System (in each case not being Subordinated Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in such Voting Certificate) are blocked in an account with a Clearing System and that no such Subordinated Notes will cease to be so blocked until the first to occur of:
 - (1) the conclusion of the meeting specified in such Voting Certificate; and
 - (2) the surrender of the Voting Certificate to the Paying and Transfer Agent who issued the same; and
- (b) that the bearer thereof is entitled to attend and vote at such meeting in respect of the Subordinated Notes represented by such Voting Certificate;

24 Hours means a period of 24 hours including all or part of a day upon which banks are open for business in both the place where the relevant meeting is to be held and in each of the places where the Paying and Transfer Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of a day upon which banks are open for business in all of the places as aforesaid; and

48 Hours means a period of 48 hours including all or part of two days upon which banks are open for business both in the place where the relevant meeting is to be held and in each of the places where the Paying and Transfer Agents have their specified offices (disregarding for this purpose the day upon which such meeting is to be held) and such period shall be extended by one period or, to the extent necessary, more periods of 24 hours until there is included as aforesaid all or part of two days upon which banks are open for business in all of the places as aforesaid.

For the purposes of calculating a period of **Clear Days** in relation to a meeting, no account shall be taken of the day on which the notice of such meeting is given (or, in the case of an adjourned meeting, the day on which the meeting to be adjourned is held) or the day on which such meeting is held.

All references in this Schedule to a "meeting" shall, where the context so permits, include any relevant adjourned meeting.

EVIDENCE OF ENTITLEMENT TO ATTEND AND VOTE

2. A holder of a Subordinated Note represented by the Global Note or a Definitive Note which is held in an account with any Clearing System may require the issue by a Paying and Transfer Agent of Voting Certificates and Block Voting Instructions in accordance with the terms of paragraph 3.

For the purposes of paragraph 3, the Principal Paying and Transfer Agent and each Paying and Transfer Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a Clearing System and shall have no liability to any holder or other Person for any loss, damage, cost, claim or other liability occasioned by its acting in reliance thereon, nor for any failure by a Clearing System to deliver information or instructions to the Principal Paying and Transfer Agent or any Paying and Transfer Agent.

The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting be deemed to be the holder of the Subordinated Notes to which such Voting Certificate or Block Voting Instruction relates.

PROCEDURE FOR ISSUE OF VOTING CERTIFICATES, BLOCK VOTING INSTRUCTIONS AND PROXIES

3. (A) *Global Note and Definitive Notes held in a Clearing System - Voting Certificate*

A holder of a Subordinated Note (not being a Subordinated Note in respect of which instructions have been given to the Principal Paying and Transfer Agent in accordance with paragraph 3(B)) represented by the Global Note or which is in definitive form and is held in an account with any Clearing System may procure the delivery of a Voting Certificate in respect of such Subordinated Note by giving notice to the Clearing System through which such holder's interest in the Subordinated Note is held specifying by name a Person (an **Identified Person**) (which need not be the holder himself) to collect the Voting Certificate and attend and vote at the meeting. The relevant Voting Certificate will be made available at or shortly prior to the commencement of the meeting by the Principal Paying and Transfer Agent against presentation by such Identified Person of the form of identification previously notified by such holder to the Clearing System. The Clearing System may prescribe forms of identification (including, without limitation, a passport or driving licence) which it deems appropriate for these purposes. Subject to receipt by the

Principal Paying and Transfer Agent from the Clearing System, no later than 24 Hours prior to the time for which such meeting is convened, of notification of the principal amount of the Subordinated Notes to be represented by any such Voting Certificate and the form of identification against presentation of which such Voting Certificate should be released, the Principal Paying and Transfer Agent shall, without any obligation to make further enquiry, make available Voting Certificates against presentation of the form of identification corresponding to that notified.

(B) *Global Note and Definitive Notes held in a Clearing System - Block Voting Instruction*

A holder of a Subordinated Note (not being a Subordinated Note in respect of which a Voting Certificate has been issued) represented by the Global Note or which is in definitive form and is held in an account with any Clearing System may require the Principal Paying and Transfer Agent to issue a Block Voting Instruction in respect of such Note by first instructing the Clearing System through which such holder's interest in the Subordinated Note is held to procure that the votes attributable to such Subordinated Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the Clearing System then in effect. Subject to receipt by the Principal Paying and Transfer Agent of instructions from the Clearing System, no later than 24 Hours prior to the time for which such meeting is convened, of notification of the principal amount of the Subordinated Notes in respect of which instructions have been given and the manner in which the votes attributable to such Subordinated Notes should be cast, the Principal Paying and Transfer Agent shall, without any obligation to make further enquiry, appoint a proxy to attend the meeting and cast votes in accordance with such instructions.

(C) *Definitive Notes not held in a Clearing System - appointment of proxy*

(i) A holder of Subordinated Notes in definitive form and not held in an account with any Clearing System may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar or any Paying and Transfer Agent not less than 48 Hours before the time fixed for the relevant meeting, appoint any person (a **proxy**) to act on his or its behalf in connection with any meeting.

(ii) Any proxy appointed pursuant to subparagraph (i) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Subordinated Notes to which such appointment relates and the holders of the Subordinated Notes shall be deemed for such purposes not to be the holder.

(D) Each Block Voting Instruction, together (if so requested by the Trustee) with proof satisfactory to the Trustee of its due execution on behalf of the relevant Paying and Transfer Agent, and each form of proxy shall be deposited by the relevant Paying and Transfer Agent or (as the case may be) by the Registrar at such place as the Trustee shall approve not less than 24 Hours before the time appointed for holding the meeting at which the proxy or proxies named in the Block Voting Instruction or form of proxy proposes to vote, and in default the Block Voting Instruction or form of proxy shall not be treated as valid unless

the Chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each Block Voting Instruction and form of proxy shall be deposited with the Trustee before the commencement of the meeting but the Trustee shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such Block Voting Instruction or form of proxy.

- (E) Any vote given in accordance with the terms of a Block Voting Instruction or form of proxy shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or form of proxy or of any of the instructions of the relevant holder or the relevant Clearing System (as the case may be) pursuant to which it was executed provided that no intimation in writing of such revocation or amendment has been received from the relevant Paying and Transfer Agent (in the case of a Block Voting Instruction) or from the holder thereof (in the case of a proxy appointed pursuant to paragraph 3(C)) by the Issuer at its registered office (or such other place as may have been required or approved by the Trustee for the purpose) by the time being 24 Hours (in the case of a Block Voting Instruction) or 48 Hours (in the case of a proxy) before the time appointed for holding the meeting at which the Block Voting Instruction or form of proxy is to be used.

CONVENING OF MEETINGS, QUORUM AND ADJOURNED MEETINGS

4. The Issuer or the Trustee may at any time, and the Issuer shall upon a requisition in writing in the English language signed by the holders of not less than ten per cent. in principal amount of the Subordinated Notes for the time being outstanding, convene a meeting and if the Issuer makes default for a period of seven days in convening such a meeting the same may be convened by the Trustee or the requisitionists. Whenever the Issuer is about to convene any such meeting the Issuer shall forthwith give notice in writing to the Trustee of the day, time and place thereof and of the nature of the business to be transacted thereat. Every such meeting shall be held at such time and place as the Trustee may appoint or approve in writing.
5. At least 21 Clear Days' notice specifying the place, day and hour of meeting shall be given to the holders prior to any meeting in the manner provided by Condition 17 (*Notices*). Such notice, which shall be in the English language, shall state generally the nature of the business to be transacted at the meeting thereby convened and, in the case of an Extraordinary Resolution, shall either specify in such notice the terms of such resolution or state fully the effect on the holders of such resolution, if passed. Such notice shall include statements as to the manner in which holders may arrange for Voting Certificates or Block Voting Instructions to be issued and, if applicable, appoint proxies. A copy of the notice shall be sent by post to the Trustee (unless the meeting is convened by the Trustee), to the Issuer (unless the meeting is convened by the Issuer).
6. A person (who may but need not be a holder) nominated in writing by the Trustee shall be entitled to take the chair at the relevant meeting, but if no such nomination is made or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the holders present shall choose one of their number to be Chairman, failing which the Issuer may appoint a Chairman. The Chairman of an adjourned meeting need not be the same person as was Chairman of the meeting from which the adjournment took place.
7. At any such meeting one or more Eligible Persons present and holding or representing in the aggregate not less than two thirds of the principal amount of the Subordinated Notes for the time being outstanding shall form a quorum for the transaction of business (including the passing of an Extraordinary Resolution) and no business (other than the choosing of a Chairman) shall be

transacted at any meeting unless the requisite quorum be present at the commencement of the relevant business.

8. If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any such meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened upon the requisition of holders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 13 Clear Days nor more than 42 Clear Days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Trustee). If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Trustee) dissolve such meeting or adjourn the same for such period, being not less than 13 Clear Days (but without any maximum number of Clear Days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Trustee, and the provisions of this sentence shall apply to all further adjourned such meetings.
9. At any adjourned meeting one or more Eligible Persons present and holding or representing in the aggregate not less than half the principal amount of the Subordinated Notes for the time being outstanding shall (subject as provided below) form a quorum and shall have power to pass any resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite quorum been present.
10. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 5 and such notice shall state the required quorum. Subject as aforesaid it shall not be necessary to give any notice of an adjourned meeting.

CONDUCT OF BUSINESS AT MEETINGS

11. Every question submitted to a meeting shall be decided in the first instance by a show of hands. A poll may be demanded (before or on the declaration of the result of the show of hands) by the Chairman, the Issuer, the Trustee or any Eligible Person (whatever the amount of the Subordinated Notes so held or represented by him).
12. At any meeting, unless a poll is duly demanded, a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
13. Subject to paragraph 15, if at any such meeting a poll is so demanded it shall be taken in such manner and, subject as hereinafter provided, either at once or after an adjournment as the Chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

14. The Chairman may, with the consent of (and shall if directed by) any such meeting, adjourn the same from time to time and from place to place; but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
15. Any poll demanded at any such meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.
16. Any director or officer of the Trustee, its lawyers and financial advisors, any Director or officer of the Issuer their lawyers and financial advisors, any director or officer of any of the Paying and Transfer Agents and any other person authorised so to do by the Trustee may attend and speak at any meeting. Save as aforesaid, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Subordinated Notes which are deemed to be not outstanding by virtue of the proviso to the definition of "outstanding" in clause 1.
17. At any meeting, on a show of hands, every Eligible Person present shall have one vote. Without prejudice to the obligations of the proxies named in any Block Voting Instruction or form of proxy, any Eligible Person entitled to more than one vote need not use all of his votes or cast all the votes to which he is entitled in the same way.
18. The proxies named in any Block Voting Instruction or form of proxy need not be holders. Nothing herein shall prevent any of the proxies named in any Block Voting Instruction or form of proxy from being a Director, officer or representative of or otherwise connected with the Issuer.
19. A meeting shall in addition to the powers hereinbefore given have the following powers exercisable only by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 7 and 9) namely:
 - (a) Power to sanction any compromise or arrangement proposed to be made between the Issuer, the Trustee, any Appointee and the holders or any of them.
 - (b) Power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Trustee, any Appointee, the holders, the Issuer against any other or others of them or against any of their property whether such rights arise under this Trust Deed or otherwise.
 - (c) Power to assent to any modification of the provisions of this Trust Deed or the Agency Agreement which is proposed by the Issuer, the Trustee or any holder.
 - (d) Power to give any authority or sanction which under the provisions of this Trust Deed is required to be given by Extraordinary Resolution.
 - (e) Power to appoint any persons (whether holders or not) as a committee or committees to represent the interests of the holders and to confer upon such committee or committees any powers or discretions which the holders could themselves exercise by Extraordinary Resolution.
 - (f) Power to approve of a person to be appointed a trustee and power to remove any trustee or trustees for the time being of this Trust Deed.

- (g) Power to discharge or exonerate the Trustee and/or any Appointee from all liability in respect of any act or omission for which the Trustee and/or such Appointee may have become responsible under this Trust Deed.
 - (h) Power to authorise the Trustee and/or any Appointee to concur in and execute and do all such deeds, instruments, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution.
 - (i) Power to sanction any scheme or proposal for the exchange or sale of the Subordinated Notes for or the conversion of the Subordinated Notes into or the cancellation of the Subordinated Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of such shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as aforesaid and partly for or into or in consideration of cash and for the appointment of some person with power on behalf of the holders to execute an instrument of transfer of the Subordinated Notes held by them in favour of the persons with or to whom the Subordinated Notes are to be exchanged or sold respectively.
 - (j) Power to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under this Trust Deed.
20. Any resolution passed at a meeting of the holders duly convened and held in accordance with this Trust Deed shall be binding upon all the holders whether or not present or whether or not represented at such meeting and whether or not voting and each of them shall be bound to give effect thereto accordingly and the passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. Notice of the result of the voting on any resolution duly considered by the holders shall be published in accordance with Condition 17 (*Notices*) by the Issuer within 14 days of such result being known, PROVIDED THAT the non-publication of such notice shall not invalidate such result. The Issuer shall also publish a copy of any resolution in writing, within 14 days of such resolution being executed, in accordance with Condition 17 (*Notices*), PROVIDED THAT the non-publication of such notice shall not invalidate such result.
21. Minutes of all resolutions and proceedings at every meeting shall be made and entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the Chairman of the meeting at which such resolutions were passed or proceedings transacted, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings transacted thereat to have been duly passed or transacted.
22. Subject to all other provisions of this Trust Deed the Trustee may (after consultation with the Issuer where the Trustee considers such consultation to be practicable but without the consent of the Issuer or the holders) prescribe such further or alternative regulations regarding the requisitioning and/or the holding of meetings and attendance and voting thereat as the Trustee may in its sole discretion reasonably think fit (including, without limitation, the substitution for periods of 24 Hours and 48 Hours referred to in this Schedule of shorter periods). Such regulations may, without prejudice to the generality of the foregoing, reflect the practices and facilities of any relevant Clearing System. Notice of any such further or alternative regulations may, at the sole discretion of the Trustee, be

given to holders in accordance with Condition 17 (*Notices*) at the time of service of any notice convening a meeting or at such other time as the Trustee may decide.

Schedule 4
Terms and Conditions of the Notes

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

The following are the terms and conditions of the Subordinated Notes which will be endorsed on the Subordinated Notes in the definitive form (if issued).

The USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033 (the "**Subordinated Notes**") of R&Q Insurance Holdings Ltd., an exempted company incorporated under the laws of Bermuda (the "**Issuer**", previously known as Randall & Quilter Investment Holdings Ltd.), are constituted by a trust deed dated on or about the Issue Date (as amended or supplemented from time to time, the "**Trust Deed**") entered into by the Issuer and Deutsche Trustee Company Limited (the "**Trustee**" which expression shall include all Persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) of the Subordinated Notes.

The statements set out in these Terms and Conditions (the "**Conditions**") are summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Subordinated Notes. The Noteholders are entitled to the benefit of and are bound by, and are deemed to have notice of all the provisions of the Trust Deed. The Noteholders are also entitled to the benefit of and are bound by, and are deemed to have notice of those provisions applicable to them of: a paying and transfer agency agreement dated on or about the Issue Date (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Trustee, Deutsche Bank AG, London Branch (the "**Principal Paying and Transfer Agent**" and "**Agent Bank**", which expression shall include any successor as Principal Paying and Transfer Agent or Agent Bank, as the case may be, under the Agency Agreement), the Paying and Transfer Agents for the time being (such Persons, together with the Principal Paying and Transfer Agent, being referred to below as the "**Paying and Transfer Agents**", which expression shall include their successors as Paying and Transfer Agents under the Agency Agreement) and Deutsche Bank Luxembourg S.A., in its capacity as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Subordinated Notes). The Registrar, Paying and Transfer Agents and Agent Bank are together the "**Agents**". Certain provisions of these Conditions are summaries of the Agency Agreement and the Trust Deed and are subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection and/or collection (including by means of email distribution) by Noteholders during normal business hours at the Specified Office (as defined in the Agency Agreement) of the Principal Paying and Transfer Agent.

1. **Form and Denomination**

The Subordinated Notes are in registered form, serially numbered, in the principal amounts of USD 200,000 and integral multiples of USD 1,000 in excess thereof ("**Authorised Denominations**"). On the Issue Date the Subordinated Notes will initially be represented by the Global Note registered in the name of a nominee for, and deposited with a common depository for Euroclear and Clearstream, Luxembourg.

2. Status of the Subordinated Notes

- (a) **Status and Subordination:** The Subordinated Notes constitute direct, unconditional, unsecured and contractually subordinated obligations of the Issuer which will at all times rank (including in the event of a Winding-Up):
- (i) *pari passu* without any preference among themselves;
 - (ii) *pari passu* with all claims of holders of all other subordinated and unsecured obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would but for any applicable limitation on the amount of such capital constitute, Tier 2 Ancillary Capital, and all obligations which rank, or are expressed to rank, *pari passu* therewith ("**Parity Securities**"), in each case both as regards the right to receive periodic payments and the right to receive repayment of capital on a Winding-Up, bankruptcy or liquidation of the Issuer;
 - (iii) in priority to the claims of holders of:
 - (A) any subordinated obligations of the Issuer expressed to rank junior to the Subordinated Notes or Parity Securities;
 - (B) all obligations of the Issuer which constitute, and all claims relating to a guarantee or other like or similar undertaking or arrangement given or undertaken by the Issuer in respect of any obligations of any other person which constitute, or (in either case) would, but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital and all obligations which rank, or are expressed to rank, *pari passu* therewith; and
 - (C) all classes of share capital of the Issuer, (the "**Junior Securities**"), in each case both as regards the right to receive periodic payments and the right to receive repayment of capital on a Winding-Up, bankruptcy or liquidation of the Issuer; and
 - (iv) junior and contractually subordinate to present or future claims of Senior Creditors.
- (b) **Set-off:** By acceptance of the Subordinated Notes, each Noteholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Subordinated Notes whether prior to or in any bankruptcy or liquidation of the Issuer. Notwithstanding the preceding sentence, if any obligations owed by any Noteholder to the Issuer are discharged by set-off

of amounts in respect of or arising under the Subordinated Notes, such Noteholder will immediately, unless prohibited by applicable law, pay an amount equal to the amount of such discharge to the Issuer or, if applicable, the bankruptcy receiver or liquidator of the Issuer and, until such time as payment is made, will hold a sum equal to such amount on trust for the Issuer or, if applicable, the bankruptcy receiver or liquidator in the Issuer's bankruptcy or liquidation. Accordingly, such discharge will be deemed not to have taken place.

- (c) **Security:** Nothing in these Conditions or the Trust Deed will result in the creation or imposition of any Security Interest on any asset of the Issuer.
- (d) **Trustee and Agents:** Nothing in these Conditions shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the Agents or the rights and remedies of the Trustee or the Agents in respect thereof, all of which shall accordingly remain unsubordinated.

3. **Registration, Title and Transfer of Subordinated Notes**

- (a) **Registration:** The Issuer will cause the Registrar to maintain a register at its specified office (the "**Register**") in respect of the Subordinated Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Subordinated Note means the person in whose name such Subordinated Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) **Title:** Title to the Subordinated Notes passes only by registration in the Register. The Holder of each Subordinated Note shall (except as otherwise required by law) be treated as the absolute owner of such Subordinated Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999 (of England and Wales) or under the Contracts (Rights of Third Parties) 2016 (of Bermuda).
- (c) **Transfers:** Subject to the terms of the Trust Deed and Conditions 3(f) (*Closed periods*), 3(g) (*Regulations concerning transfers and registration*) and 16 (*Noteholder Transfer Restriction*) below, a Subordinated Note may be transferred in whole or in part upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such

evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer, *provided that* a Noteholder may not require a transfer of a Subordinated Note unless the principal amount of Subordinated Notes being transferred and (where not all of the Subordinated Notes held by a Holder are being transferred) the principal amount of the balance of Subordinated Notes not transferred are Authorised Denominations. Where not all the Subordinated Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Subordinated Notes will be issued to the transferor.

- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Subordinated Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

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

- (e) *No charge:* The transfer of a Subordinated Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Subordinated Notes.
- (g) *Regulations concerning transfers and registration:* All transfers of Subordinated Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Subordinated Notes scheduled to the Trust Deed. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. Interest

- (a) **Interest:** The Subordinated Notes bear interest on their outstanding principal amount plus any accrued but unpaid interest from 10 December 2020 (the "**Issue Date**") up to and including the Maturity Date. Subject to Condition 5 (*Deferral of Interest*), interest shall be payable on 31 March, 30 June, 30 September and 31 December in each year (each, an "**Interest Payment Date**") in accordance with Condition 8 (*Payments*), *provided that* if any Interest Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless it would thereby fall into the next calendar month, in which case it will be brought forward to the preceding Business Day, provided further that, the first Interest Payment Date shall be 31 March 2021. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".
- (b) **Interest Accrual:** Each Subordinated Note will cease to bear interest from and including the due date for redemption (which due date shall, in the case of deferral of a redemption date in accordance with Condition 7(b) (*Deferral of redemption date*), be the latest date to which redemption of the Subordinated Notes is so deferred) unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Subordinated Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Trustee has notified the Noteholders that it has received all sums due in respect of the Subordinated Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Rate of Interest:** The rate of interest applicable to the Subordinated Notes (the "**Rate of Interest**") for each Interest Period is the Fixed Rate.
- (d) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Issuer [or the Agent Bank] will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and the Noteholders and (subject as aforesaid) no liability to any such Person will attach to [the Agent Bank] in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (e) **Calculation Amount:** Interest shall be calculated per USD 1,000 in principal amount of the Subordinated Notes (the "**Calculation Amount**").

5. Deferral of Interest

- (a) **Regulatory Deficiency Deferral of Interest:** Payment of interest on the Subordinated Notes by the Issuer will be mandatorily deferred on each Regulatory Deficiency Interest Deferral Date. The Issuer shall notify the Noteholders and the Trustee of any Regulatory Deficiency Interest Deferral Date in accordance with Condition 5(e) (*Notice of Deferral*).

A certificate signed by two Authorised Signatories confirming that:

- (i) a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or would occur if payment of interest on the Subordinated Notes were to be made; or
- (ii) a Regulatory Deficiency Interest Deferral Event has ceased to occur and/or payment of interest on the Subordinated Notes would not result in a Regulatory Deficiency Interest Deferral Event occurring,

shall be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof, and shall be binding on all such persons.

- (b) **No default:** Notwithstanding any other provision in these Conditions the deferral by the Issuer of any payment of interest on a Regulatory Deficiency Interest Deferral Date in accordance with Condition 5(a) (*Regulatory Deficiency Deferral of Interest*) will not constitute a default by the Issuer and will not give Noteholders or the Trustee any right to accelerate repayment of the Subordinated Notes or take any enforcement action under the Subordinated Notes.
- (c) **Arrears of Interest and Additional Interest Amounts:** Any interest on the Subordinated Notes not paid on an Interest Payment Date as a result of the obligation of the Issuer to defer such payment of interest pursuant to Condition 5(a) (*Regulatory Deficiency Deferral of Interest*) shall (without double counting), to the extent and so long as the same remains unpaid, constitute "**Arrears of Interest**".

Each amount of Arrears of Interest shall bear interest (as if it constituted the principal of the Subordinated Notes) at the Rate of Interest from time to time applicable to the Subordinated Notes (an "Additional Interest Amount"). Any Additional Interest Amounts which are not paid on the Interest Payment Date at the end of the applicable Interest Period shall become Arrears of Interest and bear interest accordingly.

- (d) **Payment of Arrears of Interest and Additional Interest Amounts:** Any Arrears of Interest and Additional Interest Amounts may (subject to the satisfaction of the Regulatory Clearance Condition) be paid by the Issuer in whole or in part at any time upon the expiry of not less than 14 days' notice

to such effect given by the Issuer to the Trustee and the Noteholders in accordance with Condition 17 (*Notices*) and in any event will become due and payable by the Issuer in whole (and not in part) upon the earliest of the following dates:

- (i) the next Interest Payment Date which is not a Regulatory Deficiency Interest Deferral Date;
 - (ii) the date on which the Issuer pays any dividend or other distribution on any shares in its capital;
 - (iii) the date on which the Issuer makes a payment of interest on, or redeems purchases, cancels, reduces or acquires, any Junior Securities or Parity Securities (save where the Issuer is not able to defer, pass or eliminate the relevant payment or other obligation in accordance with the terms of the relevant Junior Securities or Parity Securities);
 - (iv) the date on which a bankruptcy or liquidation of the Issuer occurs; or
 - (v) the date fixed for any redemption of the Subordinated Notes pursuant to Condition 7 (*Redemption, Purchase and Cancellation*) (subject to any deferral of such redemption date pursuant to Condition 7(b) (*Deferral of redemption date*)) or Condition 10 (*Default and remedies on default*).
- (e) **Notice of Deferral:** The Issuer shall notify the Trustee and the Noteholders in writing in accordance with Condition 17 (*Notices*) not less than 5 Business Days prior to an Interest Payment Date which is a Regulatory Deficiency Interest Deferral Date, specifying that interest will not be paid because a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date, *provided that* if a Regulatory Deficiency Interest Deferral Event occurs less than 5 Business Days prior to an Interest Payment Date, the Issuer shall give notice of the interest deferral in accordance with Condition 17 (*Notices*) as soon as reasonably practicable following the occurrence of such event.

6. Covenants

The Issuer covenants that:

- (a) **Regulatory Capital:** the regulatory capital held by the Issuer shall be greater at all times than the minimum Enhanced Capital Requirement;
- (b) **BSCR Ratio:** the Issuer's BSCR Ratio shall not be less than 110% for more than one Financial Year;

- (c) **Debt to Capital Ratio:** the Issuer's Debt to Capital Ratio shall be no greater than 50% on any Quarter Date, provided that the Issuer shall be permitted to incur Financial Indebtedness that results in the Issuer's Debt to Capital Ratio being greater than 50% on any Quarter Date if such Financial Indebtedness is to be applied, and is applied within 20 Business Days of incurrence, to redeem the Subordinated Notes;
- (d) **Subsidiary Debt:** the Issuer will not at any time permit any other member of the Group to issue any Tier 2 Capital or Tier 3 Capital other than:
- (i) Tier 2 Capital and Tier 3 Capital issued by Insurance Subsidiaries if the aggregate of all such capital issued by all Insurance Subsidiaries post issue, would not exceed USD 50,000,000;
 - (ii) any Tier 2 Capital or Tier 3 Capital issued prior to the Issue Date; or
 - (iii) any Tier 2 Capital or Tier 3 Capital issued with the prior approval of an Extraordinary Resolution of the Noteholders,
- and any additional Tier 2 Capital issued by the Issuer must rank *pari passu* with the Subordinated Notes;

- (e) **Security Interests:**
- (i) the Issuer shall not create any Security Interests which secure Financial Indebtedness other than:
 - (A) Security Interests existing at the Issue Date; or
 - (B) Security Interests created with the prior approval of an Extraordinary Resolution of the Noteholders; and
 - (ii) the Issuer will not at any time permit any Subsidiary to create any Security Interests which secure Financial Indebtedness if the total aggregate amount of all secured Financial Indebtedness of the Issuer and its Subsidiaries would exceed 50% of the Issuer's consolidated net tangible assets (as reported in the Issuer's most recent audited consolidated financial statements), other than:
 - (A) Security Interests created with the prior approval of an Extraordinary Resolution of the Noteholders: or
 - (B) Security Interests granted by any Subsidiary that conducts insurance business to indemnify a counterparty that has issued letters of credit to secure the insurance or reinsurance payment obligations of any member of the Group,

provided always that no Security Interests will be granted in favour of the Noteholders.

- (f) ***Payments to Members:*** until and including the Fallaway Date, the Issuer shall not pay any dividend or make any distribution on its ordinary or preference share capital. Following the Fallaway Date, the Issuer shall only be entitled to pay any dividend or make any distribution on its ordinary or preference share capital if the Issuer shall not be in breach of any of the Fallaway Conditions as a result of and/or immediately after the payment or making of such dividend or distribution.
- (g) ***Further Indebtedness:*** until and including the Fallaway Date, it shall not (and shall procure that no other member of the Group will) incur any further Financial Indebtedness without the prior written consent of the Requisite Holders other than Permitted Financial Indebtedness provided that the Issuer shall be permitted to incur further Financial Indebtedness which is not Permitted Financial Indebtedness without the prior written consent of the Requisite Holders if all of such Financial Indebtedness is to be applied, and is applied within 20 Business Days of incurrence, to redeem the Subordinated Notes.
- (h) ***Disposal Proceeds:*** prior to the Fallaway Date, it shall apply all net disposal proceeds received from the disposal of assets by the Issuer or any of its Subsidiaries by way of one or more transactions which cumulatively and in aggregate exceed the Consideration Threshold *first* in making any prepayments required on its Senior Debt and cash collateralisation required in respect of the Existing Letters of Credit and *secondly*, in voluntary partial or total redemption of the Subordinated Notes pursuant to Condition 7(e) for a price equal to 100% of the principal amount outstanding of the Subordinated Notes to be redeemed plus accrued but unpaid interest. This Condition 6(h) (*Disposal Proceeds*) shall not apply to any disposal which is a Permitted Disposal and, for the avoidance of doubt, the proceeds received in respect of any Permitted Disposal shall not contribute towards the Consideration Threshold.
- (i) ***Accredited Disposal covenants:*** on and from the date it formally markets Accredited Holdco it shall : (i) invite each Noteholder to attend a conference call with the Issuer and its professional advisers to discuss the progress of the Accredited Disposal no less frequently than monthly; and (ii) upon request by a Noteholder, facilitate a bilateral conference call between that Noteholder and the Issuer's professional advisers in respect of the Accredited Disposal.

7. Redemption, Purchase and Cancellation

- (a) ***Scheduled redemption:*** Subject to Conditions 7(b) (*Deferral of redemption date*) and 7(j) (*Preconditions to redemption and purchases*), unless previously redeemed, or purchased and cancelled, the Subordinated Notes will be redeemed at their principal amount on the Maturity Date together with any Arrears of Interest (together with all corresponding Additional Interest Amounts) and any other accrued and unpaid interest to (but

excluding) the Maturity Date in accordance with the terms of Condition 8 (*Payments*).

(b) ***Deferral of redemption date:***

- (i) No Subordinated Notes shall be redeemed on the Maturity Date pursuant to Condition (a)7 (*Scheduled redemption*), or prior to the Maturity Date pursuant to Condition 7(c) (*Redemption at the option of the Issuer due to a Regulatory Event*), 7(d) (*Redemption at the option of the Issuer for taxation reasons*) or 7(e) (*Voluntary redemption*) if a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or would occur if redemption is made pursuant to this Condition 7.
- (ii) The Issuer shall notify the Trustee and the Noteholders in accordance with Condition 17 (*Notices*) no later than 5 Business Days prior to any date set for redemption of the Subordinated Notes if such redemption is to be deferred in accordance with this Condition (b)7, *provided that* if a Regulatory Deficiency Redemption Deferral Event occurs less than 5 Business Days prior to the date set for redemption, the Issuer shall give notice of such deferral in accordance with Condition 17 (*Notices*) as soon as reasonably practicable following the occurrence of such event.
- (iii) If redemption of the Subordinated Notes does not occur on the Maturity Date, or, if applicable, the date specified in the notice of redemption by the Issuer under Condition 7(c) (*Redemption at the option of the Issuer due to a Regulatory Event*), 7(d) (*Redemption at the option of the Issuer for taxation reasons*) or 7(e) (*Voluntary redemption*) as a result of Condition 7(b)(i) (*Deferral of redemption date*), the Issuer shall (subject to satisfaction of the Regulatory Clearance Condition) redeem such Subordinated Notes at their principal amount together with any Arrears of Interest (together with all corresponding Additional Interest Amounts) and any other accrued and unpaid interest upon the earliest of:
 - (1) the date falling 10 Business Days after the date the Regulatory Deficiency Redemption Deferral Event has ceased (unless on such 10th Business Day a further Regulatory Deficiency Redemption Deferral Event has occurred and is continuing or redemption of the Subordinated Notes on such date would result in a Regulatory Deficiency Redemption Deferral Event occurring, in which case the provisions of Condition 7(b)(i) (*Deferral of redemption date*) and this Condition 7(b)(iii) will apply *mutatis mutandis* to determine the due date for redemption of the Subordinated Notes); or

- (2) the date falling 10 Business Days after the BMA has agreed to the repayment or redemption of the Subordinated Notes; or
 - (3) the date on which a bankruptcy or liquidation occurs.
 - (iv) A certificate signed by two Authorised Signatories confirming that (A) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing, or would occur if redemption of the Subordinated Notes were to be made or (B) a Regulatory Deficiency Redemption Deferral Event has ceased to occur and/or redemption of the Subordinated Notes would not result in a Regulatory Deficiency Redemption Deferral Event occurring, shall be treated and accepted by the Issuer, the Noteholders and all other interested parties as correct and sufficient evidence thereof, shall be binding on all such persons.
 - (v) Notwithstanding any other provision in these Conditions, the deferral of redemption of the Subordinated Notes in accordance with this Condition(b)7 will not constitute a default by the Issuer and will not give Noteholders any right to accelerate the Subordinated Notes or take any enforcement action under the Subordinated Notes.
- (c) ***Redemption at the option of the Issuer due to a Regulatory Event:***
 - (i) Subject to Conditions 7(b)(i)(*Deferral of redemption date*) and 7(j) (*Preconditions to redemption and purchases*), if a Regulatory Event has occurred and is continuing, or as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, the same will occur within a period of six months, then at any time after the Early Call Date the Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders (in accordance with Condition17 (*Notices*)), the Trustee and the Principal Paying and Transfer Agent, which notice must be given during the Notice Period and shall be irrevocable, redeem all (but not some only) of the Subordinated Notes on the next Interest Payment Date at a price equal to:
 - (1) 101 per cent. of their principal amount (in the case of an Interest Payment Date which occurs after the Early Call Date but prior to the First Call Date); or
 - (2) 100 per cent. of their principal amount (in the case of an Interest Payment Date falling on or after the First Call Date),together in each case with any Arrears of Interest, Additional Interest Amounts and any other accrued and unpaid interest to (but excluding) the date of redemption.

(ii) For the purposes of this Condition 7(c), "**Notice Period**" means the period commencing on the date on which the relevant Regulatory Event first occurs and ending on the thirtieth calendar day following satisfaction of the Regulatory Clearance Condition in respect of the redemption which is the subject of the notice to which the Notice Period relates.

(d) ***Redemption at the option of the Issuer for taxation reasons:***

(i) Subject to Conditions 7(b)(i)(*Deferral of redemption date*) and (j)7 (*Preconditions to redemption and purchases*), if the Issuer determines that as a result of (x) any change in or amendment to the laws, or any regulations or rulings promulgated under the laws of a Relevant Jurisdiction, or (y) any change in the official position regarding the application or interpretation of the laws, regulations or rulings referred to above (including a holding by a court of competent jurisdiction), which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the Issue Date, the Issuer is or will become obligated to pay Additional Amounts with respect to the Subordinated Notes pursuant to Condition 8 (*Payments*), then at any time after the Early Call Date the Issuer may, having given not less than 45 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Noteholders (in accordance with Condition 17 (*Notices*)), the Trustee and the Principal Paying and Transfer Agent, which notice shall be irrevocable, redeem all (but not some only) of the Subordinated Notes on the next Interest Payment Date at a price equal to:

(1) 101 per cent. of their principal amount (in the case of an Interest Payment Date which occurs after the Early Call Date but prior to the First Call Date); or

(2) 100 per cent, of their principal amount (in the case of an Interest Payment Date falling on or after the First Call Date),

together in each case with any Arrears of Interest, Additional Interest Amounts and any other accrued and unpaid interest to (but excluding) the date of redemption.

(ii) No Tax Redemption Notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Subordinated Notes were then due.

(iii) For the purposes of this Condition 7 "Relevant Jurisdiction" means the United Kingdom or any political subdivision or taxing authority thereof or therein, as the case may be, or any other jurisdiction in

which the Issuer is resident for tax purposes or any political subdivision or taxing authority thereof or therein.

- (e) **Voluntary redemption.** Subject to Conditions 7(b)(i) (*Deferral of redemption date*) and 7(j) (*Preconditions to redemption and purchases*), at any time after the First Call Date the Issuer may, having given not less than 45 nor more than 60 days' notice to the Noteholders (in accordance with Condition 17 (*Notices*)), the Trustee and the Principal Paying and Transfer Agent, which notice shall be irrevocable, redeem the Subordinated Notes in whole or in part (but if in part, leaving Subordinated Notes with a principal amount of not less than USD 30,000,000 outstanding following such redemption) on the next Interest Payment Date at their principal amount, together with any Arrears of Interest, Additional Interest Amounts and any other accrued and unpaid interest to (but excluding) the date of redemption.
- (f) **Partial redemption:** If the Subordinated Notes are to be redeemed in part only on any date in accordance with Condition 7(e) (*Voluntary Redemption*), each Subordinated Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Subordinated Notes to be redeemed on the relevant redemption date bears to the aggregate principal amount of outstanding Subordinated Notes on such date.
- (g) **No other redemption:** The Issuer shall not be entitled to redeem the Subordinated Notes otherwise than as provided in Conditions 7(a) (*Scheduled redemption*), or (b)7 (*Deferral of redemption date*), (c)7 (*Redemption at the option of the Issuer due to Regulatory Event*), 7(d) (*Redemption at the option of the Issuer for taxation reasons*) or 7(e) (*Voluntary redemption*).
- (h) **Purchase:** The Issuer may at any time purchase Subordinated Notes in the open market or otherwise and at any price subject to Condition 7(j) (*Preconditions to redemption and purchases*). All Subordinated Notes purchased by or on behalf of the Issuer may be held, reissued, resold or, at the option of the Issuer and the relevant purchaser, surrendered for cancellation to the Trustee.
- (i) **Cancellation:** All Subordinated Notes redeemed by the Issuer pursuant to this Condition 7, and all Subordinated Notes purchased and surrendered for cancellation pursuant to Condition 7(h) (*Purchase*), will forthwith be cancelled. Any such Subordinated Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Subordinated Notes shall be discharged.
- (j) **Preconditions to redemption and purchases:**
 - (i) Prior to the publication of any notice of redemption pursuant to Condition 7(c) (*Redemption at the option of the Issuer due to a Regulatory Event*), the Issuer shall deliver to the Trustee a certificate

signed by two Directors of the Issuer stating that a Regulatory Event has occurred and is continuing as at the date of the certificate or, as the case may be, will occur within a period of six months.

- (ii) Prior to the publication of any notice of redemption pursuant to Condition 7(d) (*Redemption at the option of the Issuer for taxation reasons*), the Issuer will deliver or procure that there is delivered to the Trustee (A) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent in Condition 7(d) to the right of the Issuer to so redeem have occurred, and (b) an opinion of independent legal counsel of nationally or internationally recognised standing with respect to such matters to that effect based on the statement of facts. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the circumstances referred to in (A) and (B) above, in which event they shall be conclusive and binding on the Noteholders.
- (iii) In addition, prior to the publication of any notice of redemption or any purchase of the Subordinated Notes, the Issuer will be required to have complied with the Regulatory Clearance Condition and no Regulatory Deficiency Redemption Deferral Event shall have occurred and be continuing.
- (iv) The Issuer shall not redeem any Subordinated Notes or purchase any Subordinated Notes unless at the time of such redemption or purchase no Regulatory Deficiency Redemption Deferral Event has occurred and is continuing.
- (v) Any redemption by the Issuer pursuant to Conditions 7(c) (*Redemption at the option of the Issuer due to a Regulatory Event*), 7(d) (*Redemption at the option of the Issuer for taxation reasons*) or 7(e) (*Voluntary Redemption*) must be settled with the proceeds of an issue of regulatory capital of equal or greater quality than the Subordinated Notes.

8. Payments

- (a) **Principal:** Payments of principal shall be made by transfer to the registered account of the Noteholder or by U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars mailed to the registered address of the Noteholder if it does not have a registered account on, or, upon application by a Holder of a Subordinated Note to the Specified Office of the Principal Paying and Transfer Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Principal Paying and Transfer Agent.

- (b) **Interest:** Payments of interest shall be made by transfer to the registered account of the Noteholder or by U.S. dollar cheque drawn on a bank that processes payments in U.S. dollars mailed to the registered address of the Noteholder if it does not have a registered account on, or upon application by a Holder of a Subordinated Note to the Specified Office of the Principal Paying and Transfer Agent not later than the fifteenth day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Principal Paying and Transfer Agent.
- (c) **Payments subject to fiscal laws:** Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) **Payments on business days:** If the due date for payment of any amount in respect of any Subordinated Note is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this Condition (d)8, "**business day**" and "**Business Day**" means any day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London and New York City and, in the case of presentation or surrender of a Note, in the place of the specified office of the Registrar or relevant Paying and Transfer Agent, to whom the relevant Note is presented or surrendered.
- (e) **Partial payments:** If the Principal Paying and Transfer Agent makes a partial payment in respect of any Subordinated Note presented to it for payment, such Principal Paying and Transfer Agent will endorse thereon a statement indicating the amount and the date of such payment.
- (f) **No commissions:** No commissions or expenses shall be charged to the Noteholders in respect of any payments made in accordance with this Condition 8.
- (g) **Record date:** Each payment in respect of a Subordinated Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the

due date for such payment (the "**Record Date**"). Where payment in respect of a Subordinated Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

- (h) **Agents:** The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent or Agent Bank and to appoint a successor paying agent or agent bank and additional or other paying agents, *provided that* the Issuer will at all times maintain a principal paying and transfer agent, registrar and agent bank.

Notice of any termination or appointment and of any changes in specified offices of any of the Agents or their Specified Offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 17 (*Notices*).

In acting under the Agency Agreement and in connection with the Subordinated Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

9. **Taxation**

All payments made in respect of the Subordinated Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within any Relevant Jurisdiction or any jurisdiction through which payment is made (together with Relevant Jurisdictions, a "**Relevant Taxing Jurisdiction**"), unless such withholding or deduction is required by law. In that event, the Issuer, including any successor entity of the Issuer, shall pay such additional amounts ("**Additional Amounts**") so as to result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required.

However, the obligation to pay Additional Amounts shall not apply to:

- (a) any present or future tax, assessment or other governmental charge that would not have been so imposed but for:
- (i) the existence of any present or former connection between the Noteholder or beneficial owner of such Subordinated Note and the Relevant Taxing Jurisdiction other than merely holding such Subordinated Note, or receiving of amounts in respect of the Subordinated Note, or enforcing the Subordinated Note; or
 - (ii) the presentation by the Noteholder of any Subordinated Note, where presentation is required, for payment on a date more than 30 days after the later of the date on which payment became due and payable

or the date on which payment thereof is duly provided for, except to the extent that the Noteholder would have been entitled to such Additional Amounts if it had presented such Subordinated Note for payment on any date within such 30-day period; or

- (iii) the failure of the Noteholder or beneficial owner to comply with a timely request of the Issuer to provide information to the Issuer concerning the nationality, residence or identity of the holder or beneficial owner of that Subordinated Note, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would otherwise have been payable to such holder or beneficial owner; or
 - (iv) the presentation of any Subordinated Note for payment, where presentation is required, where the payment can be made without such withholding or deduction by the presentation of the Subordinated Note for payment to at least one other paying agent;
- (b) any estate, inheritance, gift, sales, transfer, capital gains, excise or personal property tax or any similar tax, assessment or governmental charge;
 - (c) any tax, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments on or in respect of any Subordinated Note;
 - (d) any combination of the items listed above; or
 - (e) any payment to a Noteholder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of a payment to the extent that such payment would be required by the laws of the Relevant Taxing Jurisdiction (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in a limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member or beneficial owner been the holder thereof.

The term “**Relevant Jurisdiction**” as used herein means the United Kingdom, or any political subdivision or taxing authority thereof or therein, as the case may be, or any other jurisdiction in which the Issuer is resident for tax purposes or any political subdivision or taxing authority thereof or therein.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on or in respect of, any Subordinated Note, such mention shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

In no circumstances shall any clearing system, any Agent or the Trustee, be responsible for:

- (a) verifying or confirming to the Issuer that any accountholder who holds a beneficial interest in any Subordinated Note is a Person to whom the Issuer is entitled to pay free and clear or withholding or deduction for any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within any Relevant Taxing Jurisdiction;
- (b) passing on or otherwise facilitating any communication between the Issuer and any accountholder regarding tax matters; or
- (c) facilitating or administering any deduction or withholding.

To the extent that the Issuer would not be obliged to pay an accountholder Additional Amounts pursuant to Condition 9, the Issuer shall nonetheless ensure that the Principal Paying and Transfer Agent receives the full amount of any payments due in respect of the Subordinated Notes, and any arrangements to adjust the amount paid to that accountholder shall be made between the Issuer and the accountholder directly.

10. **Default and remedies on default**

If any of the following events (each an "**Event of Default**") shall have occurred and be continuing, the Trustee at its discretion may, and shall if (i) so directed by an Extraordinary Resolution of the Noteholders, or (ii) so requested in writing by the Requisite Holders, so long as it has been indemnified and/or secured and/or prefunded to its satisfaction, give written notice to the Issuer that the Subordinated Notes are, and they shall accordingly thereby immediately (without any further action or formality) become, due and repayable at their principal amount together with any Arrears of Interest, Additional Interest Amounts and any other accrued interest:

- (a) **Payment default:** The Issuer fails to meet any of its payment obligations on the date that such payment obligations were due under the Subordinated Notes and such payment obligations are not met within 3 days of the date that such payment obligations were due. For the avoidance of doubt, no amount shall be due from the Issuer in circumstances where payment of such amount is deferred in accordance with Condition 5(a) (*Regulatory Deficiency Deferral of Interest*) or (b)7 (*Deferral of redemption date*).

(b) ***Breach of Covenants, Representations and Warranties and Other Obligations.***

- (i) The Issuer does not perform or comply with any one or more of the covenants (other than in respect of non-payment) in the Trust Deed or Condition 6 (*Covenants*) and such non-performance or non-compliance is incapable of remedy or, if in the opinion of the Trustee it is capable of remedy, is not in the opinion of the Trustee remedied within 45 Business Days of the Trustee giving notice to the Issuer (at the request of the Requisite Holders); or
- (ii) Any representation or warranty of the Issuer is or proves to have been incorrect or misleading in any material respect when made or deemed to have been made and, if capable of remedy, the facts or circumstances giving rise to such misrepresentation or misstatement have not been remedied within 45 Business Days of the Trustee giving notice to the Issuer (at the request of the Requisite Holders); or
- (iii) Any other obligations, representations or warranties or covenants of the Issuer under the Subordinated Notes or the Trust Deed is defaulted or breached and such default or breach is incapable of remedy or, if in the opinion of the Trustee it is capable of remedy, is not in the opinion of the Trustee remedied within 45 Business Days of the Trustee giving notice to the Issuer (at the request of the Requisite Holders).

(c) ***Insolvency***

- (i) The Issuer is unable to or admits inability to pay its debts as they fall due (by reason of financial difficulties), suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with any one or more classes of its creditors with a view to the general readjustment or rescheduling of its indebtedness which, could reasonably be expected to have a material adverse effect on the ability of the Issuer taken as a whole to meet the payment obligations under the Subordinated Notes; or
- (ii) The fair value of the assets of the Issuer is less than its liabilities (taking into account contingent and prospective liabilities) to an extent which could reasonably be expected to have a material adverse effect on the ability of the Issuer taken as a whole, to meet the payment obligations under the Subordinated Notes; or
- (iii) A moratorium is declared in respect of any indebtedness of the Issuer; or
- (iv) An order is made or an effective resolution passed for the winding-up, liquidation or dissolution of the Issuer, and such order or

resolution is not stayed or discharged within 45 Business Days, except for any such order or resolution made or requested for the purposes of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved in writing by way of an Extraordinary Resolution.

- (d) ***Final judgements.*** Final monetary judgments for an amount in excess of 50% of consolidated net tangible assets (as set out in the Issuer's most recent consolidated financial statements) are delivered which are not, within 60 Business Days, bonded, discharged or stayed pending appeal, or are not discharged within 60 Business Days after the expiration of such stay.
- (e) ***Winding-up:*** Upon the Winding-Up of the Issuer (or other equivalent proceedings), the Subordinated Notes shall automatically become due and payable at their outstanding principal amount together with interest (if any) accrued to such date.
- (f) ***Enforcement:*** The Trustee may institute such proceedings or take such steps or actions against the Issuer as it may think fit to enforce any obligation, term, condition or provision binding on the Issuer under the Subordinated Notes or the Trust Deed, *provided that* the Trustee may not at any time file for bankruptcy or liquidation of the Issuer and *provided further that*, in no event shall the Issuer, by virtue of the institution of any such proceedings or the taking of such steps or actions, be obliged to pay any sum or sums (in cash or otherwise) sooner than the same would otherwise have been payable by it.

11. **Prescription**

Claims against the Issuer for payment in respect of the Subordinated Notes shall be prescribed and become void unless made within 10 years from the appropriate Relevant Date in respect of such payment and thereafter any principal, interest or other sums payable in respect of such Notes shall be forfeited and revert to the Issuer. Claims in respect of any other amounts payable in respect of the Subordinated Notes shall become void unless made within 10 years following the due date for payment thereof.

12. **Replacement of Note Certificates**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

13. **Meetings of Noteholders, Modification and Waiver**

- (a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed and the Agency Agreement. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in principal amount of the Subordinated Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more Persons holding or representing not less than two-thirds ($66\frac{2}{3}$) in principal amount of the Subordinated Notes for the time being outstanding, or at any adjourned meeting one or more Persons holding or representing a clear majority in principal amount of the Subordinated Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed and whether or not they voted on the resolution).

An "**Extraordinary Resolution**" is a resolution in respect of which not less than sixty-six and two-thirds ($66\frac{2}{3}$) per cent of the votes cast shall have been in favour at a meeting of Noteholders duly convened and held in accordance with the Trust Deed, *provided that* where there is a requirement under the Subordinated Notes for the approval of the Majority Noteholders, such approval shall be deemed given by way of an Extraordinary Resolution in respect of which not less than fifty (50) per cent of the votes cast shall have been in favour at a meeting of Noteholders duly convened and held in accordance with the Trust Deed.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than sixty-six and two-thirds ($66\frac{2}{3}$) per cent in principal amount of the Subordinated Notes then outstanding shall for all purposes be as valid as an Extraordinary Resolution passed at a meeting of Noteholders convened and held in accordance with the provisions of the Trust Deed *provided that* where there is a requirement under the Subordinated Notes for the approval of the Majority Noteholders, such approval shall be deemed given by way of an Extraordinary Resolution signed by or on behalf of the holders of not less than fifty (50) per cent in principal amount of the Subordinated Notes then outstanding. Any such resolution in writing may be in one document or several documents in like form each signed by or on behalf of one or more of the Noteholders.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Subordinated Notes, or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the

Agency Agreement, the Subordinated Notes, or these Conditions (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Subordinated Notes or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Noteholders. Other than as provided in this paragraph (b), none of the Subordinated Notes, these Conditions, the Trust Deed or the Agency Agreement may be amended without the consent of the Noteholders.

(c) *Entitlement of the Trustee*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other Person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders except to the extent already provided for in Condition 9 (*Taxation*) and/or any undertaking given in addition to, or in substitution for, Condition 9 (*Taxation*) pursuant to the Trust Deed.

The Trust Deed contains provisions permitting the Trustee to agree in circumstances, subject to such amendment to the Trust Deed and such other conditions as are set out in the Trust Deed, but without the consent of the Noteholders, to the substitution of the Issuer's successor in business, transferee or assignee or any Subsidiary of the Issuer or its successor in business, transferee or assignee in place of the Issuer (or of any previous substitute under this sub-clause) as the principal debtor or guarantor under this Trust Deed and the Subordinated Notes.

14. Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Subordinated Notes, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed and the Subordinated Notes unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or (ii) so requested in writing by the Requisite Holders, and it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Noteholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, (i) fails so to do within 30 days of becoming

so bound or (ii) is unable to do so by reason of an order of court of competent jurisdiction, and the failure or inability shall be continuing.

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

15. The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances. The Trust Deed provides that, when determining whether an indemnity or any security or pre-funding is satisfactory to it, the Trustee shall be entitled (i) to evaluate its risk in any given circumstance by considering the worst-case scenario and (ii) to require that any indemnity or security given to it by the Noteholders or any of them be given on a joint and several basis and be supported by evidence satisfactory to it as to the financial standing and creditworthiness of each counterparty and/or as to the value of the security and an opinion as to the capacity, power and authority of each counterparty and/or the validity and effectiveness of the security.

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

The Trustee may rely without liability to Noteholders on a report, confirmation or certificate of any accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise.

16. Transfer of Business

In connection with a Business Transfer (whether by way of a single transaction or a series of a transactions) from the Issuer to another body or single legal entity, whether in its Group or otherwise, the Issuer shall procure that there be included in the Business Transfer, all the liabilities and obligations of the Issuer as principal

debtor under the Subordinated Notes and references in these Conditions to the Issuer shall be construed accordingly, provided that:

- (a) the Issuer shall give not less than 30 days' notice to the Noteholders prior to a Business Transfer (or a potential Business Transfer), providing all reasonable details to the Noteholders regarding the nature of the Business Transfer and the transferee;
- (b) the Noteholders may, at their option, elect that the liabilities and obligations of the Issuer as principal debtor under the Subordinated Notes not be included in the Business Transfer; and
- (c) any Business Transfer is without prejudice to any statutory right of the Noteholders to raise objections in respect of any such transfer.

In this Condition 16, "**a Business Transfer**" means any transfer of the assets of the Issuer, which represent 50 per cent. or more of the assets of the Issuer calculated by reference to the latest published financial statements of the Issuer.

17. **Notices**

All notices to the Noteholders will be valid if mailed to them by first class mail or (if posted to an address overseas) by airmail to the holders (or the first of any joint named holders) at their respective addresses in the Register. Any such notice will be deemed to have been given on the day after so being mailed.

So long as the Subordinated Notes are represented by a global note and such global note is held on behalf of a clearing system, notices to Noteholders shall be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled account holders.

18. **Financial Statements etc.**

(a) *Delivery of Financial Statements*

The Issuer will, in accordance with Clauses 9.4 and 9.5 of the Trust Deed, provide to the Trustee and directly to each Noteholder:

- (i) no later than 60 days after financial quarter end, the quarterly management accounts of the Issuer together with a Debt Summary for that financial quarter;
- (ii) the half yearly unaudited financial statements of the Issuer no later than 90 days after financial half year end;
- (iii) the annual audited financial statements of the Issuer (including, as applicable, all statutory financial statements) no later than 150 days after financial year end;

- (iv) the Annual Financial Condition Report for the Group no later than 30 days after filing,
- (v) a quarterly best estimate of the BSCR Ratio no later than 60 days after financial quarter end for the first three quarters of each financial year;
- (vi) a Certificate of the Issuer at the times and in the form specified by Clause 9.5 of the Trust Deed; and
- (vii) any other reports or information that the Trustee may reasonably request,

always provided that the Issuer shall not be obliged to disclose any information where disclosure would be in breach of its legal or regulatory obligations as reasonably determined upon the advice of counsel or the rules of any stock exchange on which its shares or debt instruments may be listed.

The Trustee will provide copies of any such document to any Noteholder as soon as reasonably practicable following a request by such Noteholder.

(b) *Changes in Accounting Standards*

If, in relation to any set of financial statements, the Issuer notifies the Trustee and the Noteholders that there has been or will be a change in the applicable accounting principles or the accounting practices (a “**Relevant Accounting Change**”) the Issuer and the Noteholders (or any of them) (who shall act in good faith), shall promptly enter into negotiations lasting for a period not to exceed 60 Business Days, pursuant to which the Issuer and the Majority Noteholders shall (if possible) agree to an amendment or waiver of these Terms and Conditions sufficient to place the Issuer and the Noteholders in substantially the same position as they would have been in if the Relevant Accounting Change not happened, with such amendment or waiver shall be approved by an Extraordinary Resolution.

If such negotiations do not result in an amendment or waiver sufficient to place the Issuer and the Noteholders in substantially the same position as they would have been in if the Relevant Accounting Change had not happened, the Issuer may determine compliance with Clause 6 (*Covenants*) or any other relevant provisions hereof on the basis of the previously applicable accounting principles (the “**Original Accounting Principles**”), in which case each Compliance Certificate must be accompanied by:

- (i) a description of the changes made to its financial statements prepared in accordance with Accounting Principles as they then apply for the purposes of determining compliance with Condition 6 (*Covenants*) or

any other relevant provisions hereof in accordance with the Original Accounting Principles; and

- (ii) sufficient information, in form and substance as may be reasonably required by any Noteholder (or the Trustee on their behalf) to enable the Majority Noteholders to determine whether Condition 6 (*Covenants*) has been complied with.

Any reference in this Agreement to any financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

19. **Contracts (Rights of Third Parties) Act 1999**

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

20. **Governing Law**

The Trust Deed, the Agency Agreement and the Subordinated Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law, except that the subordination provisions of the Subordinated Notes set out in Condition 2(a) (*Status and Subordination*) will be governed by and construed in accordance with the laws of Bermuda.

21. **Jurisdiction**

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Agency Agreement and the Subordinated Notes and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Agency Agreement or the Subordinated Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Trustee and each of the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction.

22. **Defined Terms**

In these Conditions:

“**Accredited Holdco**” means Randall & Quilter America Holdings Inc.;

“**Accredited Disposal**” means the disposal of some or all of its shareholding in Accredited Holdco or some or all of the Subsidiaries of Accredited Holdco together with any assets related to the Subsidiaries of Accredited Holdco (or any combination thereof);

"**Additional Interest Amount**" has the meaning given in Condition 5(c) (*Arrears of Interest and Additional Interest Amounts*);

"**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company;

“**Amendment and Restatement Date**” means _____ 2023;

"**Arrears of Interest**" has the meaning given in Condition 5(c) (*Arrears of Interest and Additional Interest Amounts*);

"**Assets**" means the unconsolidated gross assets of the Issuer as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingencies and subsequent events;

"**Authorised Signatory**" means any Director or other person authorised to bind the Issuer;

"**BMA**" means the Bermuda Monetary Authority (or any successor which carries on the role of regulator of financial services companies generally in Bermuda);

"**BSCR Ratio**" means the Bermuda Solvency Capital Requirement Ratio calculated by the Bermuda Solvency Capital Requirement model, as defined in the Relevant Rules;

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Hamilton and New York, *provided that*, for the purpose of Condition 8(d) (*Payments on business days*) only, "**business day**" shall have the meaning given in Condition 8(d);

"**Calculation Amount**" has the meaning given in Condition 4(h) (*Calculation Amount*);

“**Cash Equivalent Investments**” means:

- (a) certificates of deposit maturing within one year after the relevant date of calculation;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having, in each case,

a rating for its long term unsecured and non-credit enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency, maturing within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

- (c) commercial paper not convertible or exchangeable to any other security: (A) for which a recognised trading market exists; (B) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State; (C) which matures within one year after the relevant date of calculation; and (D) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F-1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which: (A) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F-1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; (B) invest substantially all their assets in securities of the types described in sub-paragraphs (a) to (d) above; and (C) can be turned into cash on not more than 30 days' notice.

“Consideration Threshold” means:

- (i) on or before 31 December 2023, \$1,000,000; and
- (ii) after 31 December 2023, \$10,000,000;

“Debt Summary” means a summary of the Issuer’s outstanding indebtedness in the form set out in Schedule 7 (*Debt Summary*) of the Trust Deed;

"Debt to Capital Ratio" means the ratio of: (i) the Issuer’s Total Debt, as set out in the consolidated quarterly management accounts and the annual audited consolidated financial statements of the Issuer, as applicable, as delivered to the Trustee in accordance with the terms of the Trust Deed to; (ii) the aggregate of the Issuer’s Total Debt and the Issuer’s Total Equity, each as delivered to the Trustee in accordance with the terms of the Trust Deed;

"Directors" means the members of the board of directors of the Issuer from time to time;

"Early Call Date" means the 3rd anniversary of the Issue Date;

"Enhanced Capital Requirement" means the "enhanced capital requirement" as defined in the Relevant Rules;

"Existing Letters of Credit" means:

- (a) the \$20,000,000 standby letter of credit facility made available by Barclays Bank PLC to Randall & Quilter II Holdings Limited for the purpose of the issuance of letters of credit in favour of Lloyd's (as the same may be amended, varied, novated, supplemented, replaced or refinanced and/or restated from time to time); and
- (b) the \$120,000,000 standby letter of credit facility agreement dated 28 October 2022 and made between the Issuer as parent, Randall & Quilter II Holdings Limited as account party, Bank of Montreal, London Branch, Barclays Bank PLC, National Westminster Bank Plc and Royal Bank of Canada as mandated lead arrangers and original banks and National Westminster Bank plc as agent and issuing agent (as the same may be amended, varied, novated, supplemented, replaced or refinanced and/or restated from time to time);

"Fallaway Conditions" means:

- (a) no Event of Default has occurred and is continuing, and no event of default (howsoever described) has occurred and is continuing in respect of any Senior Debt;
- (b) the Issuer is not in breach of any covenant set out in Condition 6 of the Subordinated Notes, is not in breach of any covenant under the Senior Facilities Agreement, and there is no outstanding request for a waiver of any such covenants and there is no waiver in place in respect of any such covenants which is subject to certain conditions that have not been met;
- (c) A.M. Best Rating Services Inc. has given and still maintains the long term issuer credit rating of Accredited Surety & Casualty Company Inc., Accredited Specialty Insurance Company, Inc. or Accredited Insurance (Europe) Limited at "a- (Excellent)";
- (d) the BSCR Ratio is greater than 150%; and
- (e) the Issuer has raised no less than the sterling equivalent of USD 100,000,000 by the issue of ordinary share capital in the Issuer or the issue of at least USD 100,000,000 of preference shares in any member of the

Group (other than the Issuer or any direct or indirect subsidiary of Randall & Quilter America Holdings, Inc.);

“Fallaway Date” means the earlier of:

- (a) the date on which the Subordinated Notes have been repaid in full; or
- (b) the date on which the Issuer delivers a certificate to the Trustee, signed by a director, confirming that all of the Fallaway Conditions have been satisfied.

"First Call Date" means the 5th anniversary of the Issue Date;

"Finance Lease" means any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

"Financial Indebtedness" means any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility or dematerialised equivalent;
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of Finance Leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) and meet any requirement for de-recognition under IFRS;
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of:
 - (i) an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition; or
 - (ii) any liabilities of any member of the Group relating to any post-retirement benefit scheme;
- (g) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Maturity Date or are otherwise classified as borrowings under IFRS;
- (h) any amount of any liability under an advance or deferred purchase agreement if:

- (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question; or
 - (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under IFRS and
 - (j) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (i) above,

excluding any liability under any real property lease which is or would be treated as an operating lease in accordance with IFRS as applied by the Group as at the date of this Agreement but which would as a result of any change in the IFRS after the date of this Agreement be treated as a Finance Lease or capital lease in accordance with the IFRS as applied by the Group as at any relevant date after the Issue Date;

"Financial Year" means each financial year of the Issuer, being a period of 12 months ending on 31 December in each calendar year;

"Fixed Rate" means: (i) for the period from and including the Amendment and Restatement Date to but excluding 1 July 2023, 8.75%; (ii) for the period from and including 1 July 2023 to but excluding the 10th anniversary of the Issue Date, 8.75%; and (iii) on and from the 10th anniversary of the Issue Date, 10.25%, provided that if the Issuer is in breach of the terms of Condition 6 (Covenants), from the date falling 45 Business Days after the date on which the Trustee delivers a notice to the Issuer pursuant to Condition 10(b)(i) until the date on which Issuer delivers a certificate to the Trustee, signed by a director, confirming that such breach has been remedied, the applicable Fixed Rate shall be increased by 100 basis points;

"Group" means the Issuer, its Subsidiaries and any Affiliate of the Issuer or its Subsidiaries;

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary;

"Independent Financial Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense (or appointed by the Majority Noteholders on behalf of the Issuer in accordance with Condition 4(f)(ii)(4));

"Insurance Act" means the Bermuda Insurance Act 1978, as amended from time to time;

"Insurance Group" means: (i) any member of the Group that is authorised or admitted to carry on or transact insurance business in any jurisdiction (foreign or domestic) and is regulated by the superintendent of insurance, insurance commission or other applicable regulatory insurance authority of that jurisdiction (an **"Insurance Subsidiary"**); (ii) or any member of the Group which is the direct parent of an Insurance Subsidiary;

"Interest Amount" has the meaning given to it in Condition 4(d) (*Calculation of Interest Amount*);

"Interest Payment Date" has the meaning given in Condition 4(a) (*Interest*);

"Interest Period" means a period from (and including) one Interest Payment Date (or in the case of the first Interest Period only, the Issue Date) up to (but excluding) the next following Interest Payment Date;

"Issue Date" has the meaning given in Condition 4(a) (*Interest*);

"Junior Creditors" means creditors of the Issuer whose claims rank, or are expressed to rank junior to, the claims of the Noteholders, including holders of Junior Securities;

"Junior Securities" has the meaning given to it in Condition 2(a) (*Status and Subordination*);

"London Banking Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

"Majority Noteholders" means the Holders of more than 50% of the outstanding principal amount of the Subordinated Notes at any time;

"Maturity Date" means the date falling 13 years following the Issue Date;

"Notice Period" has the meaning given to it in Condition 7(c) (*Redemption at the option of the Issuer due to a Regulatory Event*);

"Parity Securities" has the meaning given to it in Condition 2(a) (*Status and Subordination*);

"Permitted Disposals" means any sale, lease, licence, surrender, transfer or other disposal which is on arm's length terms:

- (a) of trading stock or cash made by any member of the Group in the ordinary course of trading of the disposing entity;

- (b) by any member of the Group of its insurance receivable assets as traded by that company in the ordinary course of trading;
- (c) of any asset by a member of the Group to another member of the Group;
- (d) of assets (other than shares, real property and intellectual property), in exchange for other assets comparable or superior as to type, value and quality, in the ordinary course of trading of the disposing entity;
- (e) of obsolete or redundant vehicles, plant and equipment for cash;
- (f) of Cash Equivalent Investments (defined below) for cash or in exchange for other Cash Equivalent Investments;
- (g) in respect of insurance and reinsurance commutations, salvage and other recoveries associated with the carrying on of insurance business (including non-life insurance and/or reinsurance business or insurance run-off process and other businesses reasonably related thereto) in the ordinary course of trading; and
- (h) to which the Requisite Holders have given their prior written consent;

“Permitted Financial Indebtedness” means Financial Indebtedness:

- (a) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade but not a foreign exchange transaction for investment or speculative purposes;
- (b) arising under letters of credit issued on behalf of any member of the Group which conducts insurance business (being one or more aspects of the management and carrying on of non-life insurance and/or reinsurance business or insurance run-off process and other businesses reasonably related thereto) to secure insurance or re-insurance payment obligations in the ordinary course of trade;
- (c) arising under revolving lines of credit issued by First Colony Bank of Florida (or, following a refinancing, by another bank or financial institution of such revolving lines of credit) to Accredited Surety and Casualty Company, Inc. up to a maximum principal amount of USD 1,500,000; or
- (d) existing as at the Amendment and Restatement Date or any replacement or refinancing thereof;

"**Quarter Date**" means 31 March, 30 June, 30 September and 31 December in each calendar year;

"**Rate of Interest**" has the meaning given to it in Condition 4(c) (*Rate of Interest*);

"**Regulatory Clearance Condition**" means, in respect of any proposed act on the part of the Issuer, the Issuer having notified the BMA, and obtained the consent or non-objection of the BMA, in relation to such act (in any case only if and to the extent required by the BMA and/or pursuant to the Relevant Rules);

"**Regulatory Deficiency Deferral Event**" means a Regulatory Deficiency Interest Deferral Event or a Regulatory Deficiency Redemption Deferral Event;

"**Regulatory Deficiency Interest Deferral Date**" means each Interest Payment Date in respect of which a Regulatory Deficiency Interest Deferral Event has occurred and is continuing or would occur if payment of interest was made on such Interest Payment Date;

"**Regulatory Deficiency Interest Deferral Event**" means any event which causes the Enhanced Capital Requirement applicable to the Issuer to be breached and such breach is an event which, under the Relevant Rules, would require the Issuer to defer a payment of interest in respect of the Subordinated Notes;

"**Regulatory Deficiency Redemption Deferral Event**" means any event which causes the Enhanced Capital Requirement applicable to the Issuer to be breached and such breach is an event which, under the Relevant Rules, would require the Issuer to defer or suspend a scheduled repayment or redemption of the Subordinated Notes;

"**Regulatory Event**" is deemed to have occurred if, at any time on or after the date of issue of the Subordinated Notes, there is a change in the regulatory classification of the Subordinated Notes that results or will result in:

- (a) their exclusion, in whole or, to the extent not prohibited by the Relevant Rules, in part, from the regulatory capital of the Issuer; or
- (b) reclassification, in whole or, to the extent not prohibited by the Relevant Rules, in part, as a lower quality form of regulatory capital of the Issuer;

"**Relevant Date**" has the meaning given in Condition 8 (*Taxation*);

"**Relevant Nominating Body**" means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them;

"**Relevant Rules**" means the Insurance Act, and the rules and regulations promulgated thereunder, and any other legislation, rules or regulations of Bermuda or of the BMA from time to time relating to the characteristics, features or criteria

of own funds or capital resources and which are, at such time, applicable to the Issuer;

"Relevant Screen Page" has the meaning given in Condition 4(c) (*Interest*);

"Requisite Holders" means the Holders of 25% or more of the outstanding principal amount of the Subordinated Notes at any time;

"Security Interest" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Senior Creditors" means:

- (a) any policyholders of any Subsidiary of the Issuer (and, for the avoidance of doubt, the claims of Senior Creditors who are policyholders shall include all amounts to which any such policyholder would be entitled in its capacity as policyholder under any applicable legislation or rules relating to a bankruptcy or liquidation of insurance companies to reflect any right to receive, or expectation of receiving, policyholder benefits which policyholders may have); and
- (b) creditors of the Issuer (other than policyholders) who are unsubordinated creditors of the Issuer (whether secured or unsecured);

"Senior Debt" means all obligations and liabilities of the Group under:

- (a) the Senior Facilities Agreement; and
- (b) the USD 70,000,000 senior unsecured guaranteed floating rate notes due 2028 of the Issuer together with the trust deed dated 28 December 2018 (as amended from time to time) pursuant to which such notes are constituted;

"Senior Facilities Agreement" means the Issuer's senior secured facilities agreement originally dated 3 July 2014 (as amended and amended and restated from time to time, most recently restated on 26 January 2021 and most recently amended on 31 March 2023) and made between, amongst others, the Issuer, National Westminster Bank plc as Mandated Lead Arranger, Barclays Bank PLC and Lloyds Bank plc as arrangers and National Westminster Bank plc as Agent as amended from time to time, or as such facilities agreement may be restated, replaced or refinanced pursuant to any other senior secured facilities agreement or agreements;

"Subsidiary" means any person (referred to as the "**first person**") in respect of which another person (referred to as the "**second person**");

- (a) has the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (i) cast, or control the casting of, more than 50% of the maximum number of votes that might be cast at a general meeting of the first person;
 - (ii) appoint or remove all, or the majority, of the directors or other equivalent officers of the first person; or
 - (iii) give directions with respect to the operating and financial policies of the first person with which the directors or other equivalent officers of the first person are obliged to comply; or
- (b) holds beneficially more than 50% of the issued share capital of the first person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital);

"Tier 1 Capital" means capital which is treated as a constituent of Tier 1 under the Relevant Rules;

"Tier 2 Ancillary Capital" has the meaning given in the Relevant Rules;

"Tier 2 Capital" means capital which is treated as a constituent of Tier 2 under the Relevant Rules or under any analogous rules in any other relevant jurisdiction;

"Tier 3 Capital" means capital which is treated as a constituent of Tier 3 under the Relevant Rules or under any analogous rules in any other relevant jurisdiction;

"Total Debt" means the "Amounts owed to credit institutions" as set out in the Issuer's most recent consolidated quarterly management accounts or annual audited consolidated financial statements, as applicable;

"Total Equity" means the book value IFRS or GAAP "Total Equity" as set out in the Issuer's most recent consolidated quarterly management accounts or annual audited consolidated financial statements, as applicable, excluding (to the extent included) "Accumulated net Unrealised gains / losses on fixed income assets"; and

"Winding-Up" means at any time when: (i) an order is made, or an effective resolution is passed, for the winding-up, dissolution or liquidation of the Issuer (except, in any such case, a solvent winding-up solely for the purpose of a reconstruction, amalgamation or substitution of the Issuer, the terms of which have previously been approved by the Noteholders by means of an Extraordinary Resolution); or (ii) a provisional liquidator, receiver, administrator or similar officer is appointed in respect of the Issuer and has given notice that it intends to declare a dividend; and

Schedule 5
Form of Directors' Certificate

[ON THE HEADED PAPER OF THE ISSUER]

To:

[Date]

Dear Sirs

R&Q Insurance Holdings Ltd.

USD 125,000,000 Unsecured Floating Rate Subordinated Notes due 2033

This certificate is delivered to you in accordance with Clause 11.5 of the Trust Deed dated ____ 2020 (the “**Trust Deed**”) and made between R&Q Insurance Holdings Ltd. (the “**Issuer**”, previously known as Randall & Quilter Investment Holdings Ltd.) and Deutsche Trustee Company Limited (the “**Trustee**”). All words and expressions defined in the Trust Deed shall (save as otherwise provided herein or unless the context otherwise requires) have the same meanings herein. The undersigned, having made all reasonable enquiries to the best of their knowledge, information and belief hereby certifies not in his/her personal capacity but as a Director of the Issuer and on behalf of the Issuer:

- (a) As at _____¹, no Event of Default or Potential Event of Default existed [other than _____]² and no Event of Default or Potential Event of Default had existed at any time since _____³ [the Certification Date (as defined in the Trust Deed) of the last certificate delivered under Clause 11.5⁴]/[the date of this Trust Deed] [other than _____]⁵; and
- (a) From and including [●]³ [the Certification Date of the last certificate delivered under Clause 11.5]⁴/[the date of this Trust Deed] to and including _____¹, the [Issuer] confirms that there has been no breach in respect of its obligations under the Trust Deed [other than _____]⁶ has occurred.

For and on behalf of R&Q Insurance Holdings Ltd.

Authorised Director _____

¹ Specify a date not more than 5 days before the date of delivery of the certificate.

² If any Event of Default or Potential Event of Default did exist, give details; otherwise delete.

³ Insert date of Trust Deed in respect of the first certificate delivered under Clause 11.5, otherwise delete.

⁴ Include unless the certificate is the first certificate delivered under Clause 11.5, in which case delete.

⁵ If any Event of Default or Potential Event of Default did exist, give details; otherwise delete.

⁶ If the Issuer has failed to comply with any obligation(s), give details; otherwise delete.

⁷ If a Relevant Event has occurred, give details; otherwise delete.

[Signatures on Following Page]

Schedule 6
Registration and Transfer of Notes

1. The Issuer shall at all times ensure that the Registrar maintains a register showing the amount of the Subordinated Notes from time to time outstanding and the dates of issue and all subsequent transfers and changes of ownership thereof and the names and addresses and payment details of the Holders of the Subordinated Notes. The Trustee and the Holders of the Subordinated Notes or any of them and any person authorised by it or any of them may at all reasonable times during office hours inspect the register and take copies of or extracts from it. The register may be closed by the Issuer for such periods at such times (not exceeding in total 30 days in any one year) as it may think fit.
2. Each Subordinated Note shall have an identifying serial number that shall be entered on the register.
3. The Subordinated Notes are transferable by execution of the form of transfer endorsed thereon and with respect to where the transferor is a corporation, under its common seal or under the hand of two of its officers duly authorised in writing.
4. The Subordinated Notes to be transferred must be delivered for registration to the specified office of the Registrar or any Paying and Transfer Agent with the form of transfer endorsed thereon duly completed and executed and must be accompanied by such documents, evidence and information as may be required pursuant to the Conditions and such other evidence as the Issuer may reasonably require to prove the title of the transferor or transferor's right to transfer the Subordinated Notes and, as to the execution of a form of transfer on behalf of a corporation by its officers, the authority of that person or those persons to do so.
5. Unless otherwise requested by him, the holder of Subordinated Notes shall be entitled to receive only one Definitive Note in respect of its entire holding.
6. Where a holder of Subordinated Notes has transferred part only of its holding there shall be delivered to it without charge a Definitive Note in respect of the balance of such holding.
7. The Issuer shall make no charge to the Noteholders for the registration of any holding of Subordinated Notes or any transfer thereof or for the issue thereof or for the delivery thereof at the specified office of the Registrar or of any Paying and Transfer Agent or by uninsured post to the address specified by the Noteholder. If any Noteholder entitled to receive a Definitive Note wishes to have the same delivered to it otherwise than at the specified office of the Registrar or of any Paying and Transfer Agent, such delivery shall be made, upon its written request to the Registrar or such Paying and Transfer Agent, at such Noteholder's risk and (except where sent by uninsured post to the address specified by the Noteholder) at such Noteholder's expense.
8. The holder of a Subordinated Note may (to the fullest extent permitted by applicable laws) be treated at all times, by all persons and for all purposes as the absolute owner of such Subordinated Note notwithstanding any notice any person may have of the right, title, interest or claim of any other person thereto.
9. The holder of a Subordinated Note will be recognised by the as entitled to its Subordinated Note free from any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Subordinated Note.
10. Each transferee of Subordinated Notes shall be deemed to represent and agree with the Issuer: (a)(I) that it is a qualified institutional buyer (as defined in Rule 144A) that is also a qualified purchaser within the

meaning of Section 2(a)(51)(A) of the Investment Company Act (a “**QIB/QP**”); (II) the transferee is not a broker-dealer that owns and invests in a discretionary basis less than \$25 million in securities of unaffiliated issuers; (III) the transferee is not a participant-directed employee plan such as a 401(K) plan; (IV) the QIB/QP is acting for its own account or the account of another QIB/QP; (V) the transferee is not formed for the purpose of investing in the Issuer; (VI) the purchaser and each account for which it is purchasing will hold and transfer at least the minimum denomination of securities; (VII) the transferee understands that the Issuer may receive a list of all participants holding positions in its securities from one or more book-entry depositaries; or (B) it is not a U.S. person and is purchasing the securities outside the United States.

11. Each transferee acknowledges that the Issuer has not been registered under the Investment Company Act and the securities have not been registered under the Securities Act.

Schedule 7

Debt Summary

<i>(\$ in millions)</i>	Reported [Test Date]	Reported [Previous test date]
Syndicated RCF		
Syndicated term loan		
Sr. sub. Notes due 2028		
Sr. sub. Notes due 2033		
Sub. Unsecd. Notes due 2023		
Sub. Unsecd. Notes due 2025		
Sub. Unsecd. Notes due 2027		
Other debt	-	-
Total Debt (A)		