

## NOTICE OF MEETING AND EXTRAORDINARY RESOLUTION

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF ANY NOTEHOLDER IS IN ANY DOUBT AS TO THE ACTION IT SHOULD TAKE OR IS UNSURE OF THE IMPACT OF THE IMPLEMENTATION OF ANY EXTRAORDINARY RESOLUTION TO BE PROPOSED AT A MEETING, IT SHOULD SEEK ITS OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM ITS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.**

### CANARY WHARF FINANCE II PLC

*(incorporated in England and Wales with limited liability under registered number 03929593)*

**(the "Issuer")**

### NOTICE OF MEETING

of the holders of the outstanding Notes of the Issuer listed below

<u>Description of Notes</u>	<u>ISIN/ Common Code</u>	<u>Aggregate Principal Amount Outstanding</u>	<u>Current Rate of Interest (per cent. per annum)</u>
£222,000,000 Class A7 Floating Rate First Mortgage Debentures due 2037 (the "Notes")	XS0295171341 029517134	£222,000,000	3 month Sterling LIBOR + Margin

NOTICE IS HEREBY GIVEN that a meeting (the "**Meeting**") of the holders of the Notes (the "**Noteholders**") convened by the Issuer will be held via teleconference on 30 November 2021 for the purpose of considering and, if thought fit, passing the applicable resolutions set out below which will, be proposed as an Extraordinary Resolution in accordance with the provisions of the trust deed dated 6 June 2000, as modified, supplemented and/or restated on 12 June 2001, 21 February 2002, 22 October 2002, 18 May 2005, 25 May 2005 and 23 April 2007, made between, *inter alios*, the Issuer and Deutsche Trustee Company Limited (the "**Trustee**") as trustee for the Noteholders, and constituting the Notes (the "**Trust Deed**").

The Meeting will commence at 10:30 a.m. (London Time).

Unless the context requires otherwise, capitalised terms used but not defined in this Notice have the meanings given to them in the Trust Deed, the terms and conditions of the Notes (the "**Conditions**") or the Consent Solicitation Memorandum (as defined below).

### EXTRAORDINARY RESOLUTION

#### IN RESPECT OF THE CLASS A7 NOTES DUE 2037 (ISIN: XS0295171341).

"THAT this meeting of the holders of the outstanding £222,000,000 Class A7 Floating Rate First Mortgage Debentures due 2037 (the "**Notes**") issued by Canary Wharf Finance II plc (the "**Issuer**") and constituted by the trust deed dated 6 June 2000, as modified, supplemented and/or restated on 12 June 2001, 21 February 2002, 22 October 2002, 18 May 2005, 25 May 2005 and 23 April 2007 (the "**Trust Deed**"), made between, *inter alios*, the Issuer and Deutsche Trustee Company Limited (the "**Trustee**") as trustee for the holders of the Notes (the "**Noteholders**"), hereby:

1. (subject to paragraph 7 of this Extraordinary Resolution) assents to the modification of: (A) the terms and conditions of the Notes and other Floating Rate Notes (the "**Conditions**") to provide for the replacement of LIBOR with SONIA as the reference rate for calculating interest in respect of the Floating Rate Notes for each Interest Period (as defined in the Conditions) commencing on or after the Effective Date, fallback determination of the interest rate by the Trustee is removed, new fallbacks are included to address the non-availability of SONIA based on Supplement 70 to the 2006 ISDA Definitions and certain other related amendments so that the relevant provisions of the Conditions will be in the form set out in the draft Supplemental Trust Deed (as defined below); and (B) the terms of each Swap Transaction and the

Liquidity Facility pursuant to the Amendment Agreements to reflect the change to the interest rate basis of the Floating Rate Notes;

2. (subject to paragraph 7 of this Extraordinary Resolution) authorises, directs, requests and empowers the Issuer and the Trustee to: (a) consent to and execute: (i) a Supplemental Trust Deed (the "**Supplemental Trust Deed**"); (ii) the Swap Amendment Agreements; and (iii) the Liquidity Facility Amendment Agreement, in each case in the form or substantially in the forms of the drafts produced to this Meeting, with such amendments thereto (if any) as the Trustee requires or agrees to give effect to the changes referred to in paragraph 1 of this Extraordinary Resolution and such other changes as may be necessary, desirable or expedient in its sole opinion; and (b) execute and do all such other deeds, instruments, acts and things as may be necessary, desirable or expedient in the Trustee's sole opinion to carry out and to give effect to this Extraordinary Resolution and the implementation of the modifications referred to in this Extraordinary Resolution;
3. (subject to paragraph 7 of this Extraordinary Resolution) sanctions and assents to every abrogation, modification or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer appertaining to the Notes and each Swap Transaction and the Liquidity Facility, whether or not such rights arise under the Conditions, the Trust Deed or any other transaction documents, involved in or resulting from or to be effected by, the modifications referred to in paragraphs 1 and 2 of this Extraordinary Resolution and their implementation;
4. (a) holds harmless, discharges and exonerates the Trustee from, and indemnifies the Trustee against, any and all liability for which it may have become or may become responsible under the Trust Deed, any other Transaction Document or the Notes in respect of any act or omission in connection with the proposal by the Issuer to the Noteholders to approve the modification of the Conditions and the consequential or related amendments to certain transaction documents, in the manner set out in the Notice (the "**Proposal**"), this Extraordinary Resolution or its implementation and/or the modifications; and (b) irrevocably waives any claim against the Issuer or the Trustee which arises as a result of any loss or damage to the holders of the Notes suffered or incurred as a result of the Issuer or the Trustee following the terms of this Extraordinary Resolution (including for the avoidance of doubt, the directions and/or instructions contained herein), even though it may subsequently be found that there is a defect in this Extraordinary Resolution or that for any reason this Extraordinary Resolution is not valid or binding upon the holders of the Notes;
5. agrees that the Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made and documents referred to in this Extraordinary Resolution and the Consent Solicitation Memorandum or any omissions from this Extraordinary Resolution or the Consent Solicitation Memorandum;
6. confirms that the Trustee is hereby authorised and instructed not to obtain any legal opinions in relation to, or to enquire into the power and capacity of any person to enter into, the Amendment Agreements or the Supplemental Trust Deed or the due execution and delivery thereof by any party thereto or the validity or enforceability thereof and it will not be liable for any consequences resulting from this instruction;
7. declares that the implementation of this Extraordinary Resolution is conditional on:
  - (a) the Consent Solicitation (as defined below) not having been terminated;
  - (b) the passing of this Extraordinary Resolution and the passing of, and the satisfaction of any conditions referred to in, the corresponding Extraordinary Resolution in respect of each other Series listed in the Notice; and
  - (c) the quorum required for, and the requisite majority of votes cast at, this Meeting being satisfied by Eligible Noteholders, irrespective of any participation at this Meeting by Ineligible Noteholders and that, if the Extraordinary Resolution is passed at this Meeting but such condition is not satisfied, the chairman of this Meeting and the Trustee are hereby authorised, directed, requested and empowered to adjourn this Meeting for such period being not less than 14 days nor more than 42 days, to be held via teleconference, for the purpose of reconsidering Resolutions 1 to 8 of this Extraordinary Resolution with the exception of this resolution 7(c) of this Extraordinary Resolution which will be amended as set out in the following sentence. At any such adjournment of this Meeting, two or more persons present holding or representing not

less than one-third of the aggregate Principal Amount Outstanding of the Notes for the time being outstanding will form a quorum and will have the power to pass the Extraordinary Resolution, and this condition set out in this paragraph 7(c) will be satisfied if the quorum required for, and the requisite majority of votes cast at, such adjourned Meeting are satisfied by Eligible Noteholders irrespective of any participation at the adjourned Meeting by Ineligible Noteholders; and

8. acknowledges that the following terms, as used in this Extraordinary Resolution, have the following meanings given below:

**"Amendment Agreements"** means the Swap Amendment Agreements and the Liquidity Facility Amendment Agreement;

**"Class A7 Notes"** means the £222,000,000 Class A7 Floating Rate First Mortgage Debentures due 2037 issued by the Issuer;

**"Class B3 Notes"** means the £104,000,000 Class B3 Floating Rate First Mortgage Debentures due 2037 issued by the Issuer;

**"Class C2 Notes"** means the £275,000,000 Class C2 Floating Rate First Mortgage Debentures due 2037 issued by the Issuer;

**"Class D2 Notes"** means the £125,000,000 Class D2 Floating Rate First Mortgage Debentures due 2037 issued by the Issuer;

**"Consent Solicitation"** means the invitation by the Issuer to, among others, the Noteholders to consent to the modification of the Conditions relating to the Notes and other related documents, as described in the Consent Solicitation Memorandum and as the same may be amended in accordance with its terms;

**"Consent Solicitation Memorandum"** means the consent solicitation memorandum dated 27 October 2021 prepared by the Issuer in relation to the Consent Solicitation;

**"Effective Date"** means the Interest Payment Date (as defined in the Conditions) falling in January 2022;

**"Eligible Noteholder"** means a Noteholder who is: (a): (i) located and resident outside the United States and is not a U.S. person (as defined in Regulation S under the Securities Act); or (ii) a "qualified institutional buyer," as such term is defined in Rule 144A under the Securities Act that has provided a validly signed Qualified Institutional Buyer Confirmation Letter in the form and manner set out in the Consent Solicitation Memorandum; (b) not a retail investor in either the EEA or the UK; and (c) otherwise a person to whom the Consent Solicitation can be lawfully made and that may lawfully participate in the Consent Solicitation;

**"Fixed Rate Notes"** means the following issuances of notes by the Issuer: £240,000,000 Class A1 6.455% First Mortgage Debentures due October 2033 (the "**First Issue Class A1 Notes**"), £475,000,000 Class A1 6.455% First Mortgage Debentures due October 2033 (the "**Second Issue Class A1 Notes**"), £500,000,000 Class A1 6.455% First Mortgage Debentures due October 2033 (the "**Third Issue Class A1 Notes**") and, together with the First Issue Class A1 Notes and the Second Issue Class A1 Notes, the "**Class A1 Notes**"; £200,000,000 Class A3 5.952% First Mortgage Debentures due October 2037 (the "**Second Issue Class A3 Notes**"), £200,000,000 Class A3 5.952% First Mortgage Debentures due October 2037 (the "**Third Issue Class A3 Notes**") and, together with the Second Issue Class A3 Notes, the "**Class A3 Notes**"; £85,000,000 Class B 6.800 per cent. First Mortgage Debentures due October 2033 (the "**First Issue Class B Notes**"), £150,000,000 Class B 6.800 per cent. First Mortgage Debentures due October 2033 (the "**Third Issue Class B Notes**") and, together with the First Issue Class B Notes, the "**Class B Notes**";

**"Floating Rate Notes"** means the following issuances of notes by the Issuer: the Class A7 Notes, the Class B3 Notes, the Class C2 Notes and the Class D2 Notes;

**"Ineligible Noteholders"** means a Noteholder that is not an Eligible Noteholder;

**"Liquidity Facility"** means the liquidity facility offered to the Issuer under the terms of a liquidity facility agreement originally dated 6 June 2000 as amended and restated by amendment agreements dated 12

June 2001, 21 February 2002, 22 October 2002, 25 May 2005 and 23 April 2007 between, among others, the Issuer, the Trustee, Lloyds TSB Bank plc as successor liquidity facility agent, and Lloyds TSB Bank plc as liquidity facility provider;

**"Liquidity Facility Amendment Agreement"** means the amendment agreement that will amend and restate the terms of the Liquidity Facility to reflect this Extraordinary Resolution and such other changes as may be necessary, desirable or expedient to implement the modifications referred to in this Extraordinary Resolution;

**"Notice"** means the notice given by the Issuer to Noteholders on or around 27 October 2021;

**"QIB"** means a qualified institutional buyer as defined in Rule 144A under the Securities Act;

**"Qualified Institutional Buyer Confirmation Letter"** means a letter substantially in the form set out in Annex B (*Form of Qualified Institutional Buyer Confirmation Letter*) of the Consent Solicitation Memorandum;

**"retail investor"** means:

- (i) in relation to any person in the European Economic Area, a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or
- (ii) in relation to any person in the United Kingdom, a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018;

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

**"Series"** means each series of the Fixed Rate Notes and the Floating Rate Notes;

**"Swap Transaction"** means, in respect of the:

1. Class A7 Notes: the interest rate swap transaction between the Issuer and Citibank, N.A., London Branch (the "**Class A7 Swap Transaction**");
2. Class B3 Notes: the interest rate swap transaction between the Issuer and Crédit Agricole Corporate and Investment Bank (the "**Class B3 Swap Transaction**");
3. Class C2 Notes: the interest rate swap transaction between the Issuer and STARTS (Ireland) Public Limited Company (the "**Class C2 Swap Transaction**"); and
4. Class D2 Notes: the interest rate swap transaction between the Issuer and Citibank, N.A., London Branch (the "**Class D2 Swap Transaction**"),

each a "**Swap Transaction**" and together the "**Swap Transactions**"; and

**"Swap Amendment Agreements"** means the deeds of amendment that will amend and restate the Swap Transactions to reflect this Extraordinary Resolution and such other changes as may be necessary, desirable or expedient to implement the modifications referred to in this Extraordinary Resolution.

## Background

The Issuer has convened the Meeting for the purpose of enabling Noteholders to consider and resolve, if they think fit, to pass the Extraordinary Resolution proposed in relation to the Notes.

On 5 March 2021 (the "**LIBOR Announcement Date**"), the UK Financial Conduct Authority (the "**FCA**") confirmed that all Sterling LIBOR settings will either cease to be provided by any administrator or no longer be representative of their underlying market immediately after 31 December 2021 (the "**LIBOR Announcement**"). The FCA has also made a number of previous announcements regarding the proposed cessation of LIBOR. In relation to 3-month Sterling LIBOR in particular (as the interest rate benchmark currently applicable to the Floating Rate Notes), the LIBOR Announcement provided that immediately after 31 December 2021, such LIBOR setting would no longer be representative of the underlying market and economic reality and that such representativeness will not be restored. For additional background to the LIBOR Announcement, we refer to:

- (a) the speech of Andrew Bailey, the Chief Executive of the FCA, on 27 July 2017 entitled "*The Future of LIBOR*";
- (b) the statement of the FCA entitled "FCA Statement on LIBOR panels" dated 24 November 2017;
- (c) the speech of Andrew Bailey, the Chief Executive of the FCA, on 12 July 2017 entitled "*Interest rate benchmark reform – transition to a world without LIBOR*";
- (d) the "Dear CEO Letter" sent by the FCA and the Prudential Regulation Authority to major banks and insurers and published on the FCA website, dated 19 September 2018, relating to the need to transition from LIBOR to alternative benchmarks;
- (e) the speech of Andrew Bailey, the Chief Executive of the FCA, on 15 July 2019 entitled "*The Future of LIBOR*";
- (f) the statement of the FCA entitled "Transition from LIBOR" dated 4 September 2019;
- (g) the open letter from The Investment Association to issuers entitled "INVESTORS CALL ON COMPANIES TO TAKE URGENT ACTION AND TRANSITION THEIR LIBOR-LINKED BONDS" dated 3 February 2021; and
- (h) the statement of the FCA entitled "Further arrangements for the orderly wind-down of LIBOR at end-2021" dated 29 September 2021.

(a) to (f) and (h) of the above together with the LIBOR Announcement are available from the website of the FCA at [www.fca.org.uk](http://www.fca.org.uk) and (g) is available at <https://www.theia.org/media/press-releases/investors-call-companies-take-urgent-action-and-transition-their-libor-linked>.

In 2017, the Bank of England (the "**BoE**") and the FCA announced that they had mandated a working group (the "**Working Group**") to implement a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Therefore, Sterling LIBOR will not continue on the current basis after 2021, and regulators have urged market participants to take active steps to implement the transition to SONIA and other risk-free rates ahead of this deadline.

On the basis that the final maturity date of the Floating Rate Notes falls after 2021, the Issuer has convened the Meeting for the purpose of enabling the Noteholders of the Notes to consider and resolve, if they think fit, to approve the Proposal by way of an Extraordinary Resolution in relation to the Floating Rate Notes, implementing respective changes in the interest basis specified in the Conditions from LIBOR to SONIA, and corresponding and/or consequential amendments (if any) to the Swap Transactions and the Liquidity Facility. The Proposal constitutes a Basic Terms Modification under the Conditions of the Floating Rate Notes, and therefore the holders of each Series are invited to approve the Proposal, even though only the conditions of the Floating Rate Notes will be amended. If an Extraordinary Resolution in respect of any Series is not successfully passed or (in the case of any Series of the Floating Rate Notes) the related Eligibility Condition is not satisfied, then the Issuer will not implement the Proposal and none of the Series of the Floating Rate Notes will be amended (irrespective of whether or not the relevant Extraordinary Resolution(s) for any of the other Series passes and/or any related Eligibility Condition(s) is satisfied).

The formula for calculating interest on the Floating Rate Notes will be as set out in Annex 1 to this Notice. Due to the differences in the nature of LIBOR and SONIA, the replacement of LIBOR as the reference rate for the Floating Rate Notes requires a corresponding credit adjustment spread to the existing Relevant Margin payable in respect of each Series of the Floating Rate Notes. The Proposal uses the "5-year historical median" methodology agreed by ISDA for determining this credit adjustment spread and recommended by the Working Group for use

in cash products such as the Floating Rate Notes. It involves taking the median of the daily difference between LIBOR and SONIA in the 5 years leading up to the LIBOR Announcement Date. Using this methodology, the credit adjustment spread for 3-month Sterling LIBOR is 0.1193 per cent., as calculated and published by Bloomberg Index Services Limited on the LIBOR Announcement Date and as referenced on Bloomberg screen SBP003M Index on the date of this Consent Solicitation Memorandum.

**The Trustee has not been involved in the formulation of the Extraordinary Resolution and the Trustee expresses no opinion on the merits of any Extraordinary Resolution or on whether Noteholders would be acting in their best interests in approving the Extraordinary Resolution, and nothing in this Notice should be construed as a recommendation to Noteholders from the Trustee to vote in favour of, or against, any Extraordinary Resolution. Noteholders should take their own independent financial, accounting and legal advice on the merits and on the consequences of voting in favour of, or against, the Extraordinary Resolution, including as to any tax consequences. The Trustee has not reviewed, nor will it be reviewing, any documents relating to the Consent Solicitation, except those to which it will be a party and this Notice. On the basis of the information set out in this Notice of Meeting (other than Annex 2 (*Margin Adjustment*) of this Notice which it has not reviewed) and the Consent Solicitation Memorandum, the Trustee has authorised it to be stated that it has no objection to the Extraordinary Resolution being put to Noteholders for their consideration.**

Before making a decision with respect to the Proposal, Noteholders should carefully consider, in addition to the other information contained in this Notice, the risk factors set out in Annex 1 of this Notice.

### **Consent Solicitation**

The Issuer has invited holders of the Notes (the "**Consent Solicitation**") to consent to the approval, by Extraordinary Resolution at the Meeting, of the modification of the Conditions of the Floating Rate Notes and related documents as described in the Extraordinary Resolution as set out above, all as further described in the Consent Solicitation Memorandum (as defined in the Extraordinary Resolution set out above).

The Consent Solicitation Memorandum and any other documents or materials relating to the Consent Solicitation are only for distribution or to be made available to persons who are Eligible Noteholders (as defined in the Extraordinary Resolution above).

Subject to the restrictions described in the previous paragraph, Noteholders may obtain, from the date of this Notice, a copy of the Consent Solicitation Memorandum from the Consent Website subject to eligibility confirmation and registration. Alternatively, Noteholders may contact the Information and Tabulation Agent, the contact details for which are set out below.

### ***Agreements, acknowledgements, representations, warranties and undertakings***

By submitting an Electronic Voting Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, the holder of the relevant Notes and any Direct Participant submitting such Electronic Voting Instruction on such holder's behalf will be deemed to agree to, acknowledge, represent, warrant and undertake to the Issuer, the Solicitation Agent, the Trustee, the Principal Paying Agent, the Agent Bank and the Information and Tabulation Agent the following: (i) at the time of submission of Electronic Voting Instruction; (ii) on the Expiration Deadline; and (iii) at the time of the Meeting and the time of any adjourned such Meeting (if the holder of such Notes or the Direct Participant is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such holder or Direct Participant should contact the Information and Tabulation Agent immediately):

- (a) *Non-reliance*: it has reviewed and accepts the terms, conditions, risk factors and other considerations of the Consent Solicitation and/or the Proposal (as applicable), all as described in the Extraordinary Resolution and this Notice, and has undertaken an appropriate analysis of the implications of the Proposal without reliance on the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Trustee, the Principal Paying Agent, the Agent Bank or the Information and Tabulation Agent;
- (b) *Identity*: by blocking the relevant Notes in the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity, including account number, to the Information and Tabulation Agent (and for the Information and Tabulation Agent to provide such details to the Issuer, Canary Wharf Group plc and the Solicitation Agent, and their respective legal advisers);

- (c) *Appointment of proxy:* in the case of Electronic Voting Instruction submitted in respect of the relevant Notes, it gives instructions for the appointment, as its proxy, of two or more representatives of the Information and Tabulation Agent by the Principal Paying Agent to vote in favour of or against the relevant Extraordinary Resolution at the relevant Meeting (including any adjourned such Meeting) (as specified in the relevant Electronic Voting Instruction) in respect of all of the Notes in its account blocked in the relevant Clearing System;
- (d) *Ratification:* it agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer, any of its directors or any person nominated by the Issuer in the proper exercise of his or her powers and/or authority hereunder;
- (e) *Further acts:* it agrees to do all such acts and things as are necessary and execute any additional documents deemed by the Issuer to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;
- (f) *Compliance with applicable laws:* it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities, and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with its participation in the Consent Solicitation (in respect of Eligible Noteholders) or with its voting on the Extraordinary Resolution (in respect of Ineligible Noteholders) in any jurisdiction and it has not taken or omitted to take any action in breach of the terms of the Consent Solicitation and/or the Proposal (as applicable) or which will or may result in the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent, the Agent Bank or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Consent Solicitation and/or the Proposal (as applicable);
- (g) *Successors and assigns:* all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations are binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and will not be affected by, and will survive, its death or incapacity;
- (h) *Information or recommendation:* none of the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent, the Agent Bank has given it any information with respect to the Consent Solicitation and/or the Proposal (as applicable) save as expressly set out in the Extraordinary Resolution and this Notice, nor has any of them made any recommendation to it as to whether it should participate in the Consent Solicitation (in respect of Eligible Noteholders) or vote on the Extraordinary Resolution (in respect of Ineligible Noteholders) and it has made its own decision with regard to its participating in the Consent Solicitation (in respect of Eligible Noteholders) or its voting on the Extraordinary Resolution (in respect of Ineligible Noteholders) based on any legal, tax or financial advice it has deemed necessary to seek;
- (i) *Tax consequences:* no information has been provided to it by the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent, the Agent Bank, or any of their respective directors, officers or employees, with regard to the tax consequences for holders of Notes arising from the participation in the Consent Solicitation (in respect of Eligible Noteholders) or the voting on the Extraordinary Resolution (in respect of Ineligible Noteholders) or the implementation of the Proposal and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Consent Solicitation (in respect of Eligible Noteholders) or its voting on the Extraordinary Resolution (in respect of Ineligible Noteholders) or the implementation of the Proposal and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Information and Tabulation Agent, the Trustee, the Principal Paying Agent, the Agent Bank or any of their respective directors, officers or employees, or any other person in respect of such taxes and payments;
- (j) *No unlawful invitation:* it is not a person to whom it is unlawful to make an invitation pursuant to the Consent Solicitation and/or the Proposal (as applicable), or for it to participate in the Consent Solicitation (in respect of Eligible Noteholders) or for it to on the Extraordinary Resolution (in respect of Ineligible Noteholders), under applicable securities laws, it has not distributed any other documents or materials relating to the Consent Solicitation and/or the Proposal (as applicable) to any such person(s) and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of an Electronic

Voting Instruction in respect of its Notes) complied with all laws and regulations applicable to it for the purposes of its participation in the Consent Solicitation (in respect of Eligible Noteholders) or with its vote on the Extraordinary Resolution (in respect of Ineligible Noteholders);

- (k) *Sanctions*: it is not a Sanctions Restricted Person;
- (l) *Status of Noteholder*: if the relevant Electronic Voting Instruction specifies that: (i) it is an Eligible Noteholder, it is an Eligible Noteholder and, if it is a QIB, it has submitted to the Information and Tabulation Agent (and not revoked) a duly completed and signed Qualified Institutional Buyer Confirmation Letter in the manner set out in the Consent Solicitation Memorandum; or (ii) it is an Ineligible Noteholder, it is an Ineligible Noteholder;
- (m) *Power and authority*: it has full power and authority to vote in the Meeting (or any adjourned such Meeting);
- (n) *Blocking of Notes*: it holds and will hold, until the earlier of: (i) the date on which its Electronic Voting Instruction is validly revoked, in the limited circumstances in which such revocation is permitted (including the automatic revocation of such Electronic Voting Instruction on the termination of the Consent Solicitation), in accordance with the terms of the Consent Solicitation and/or the Proposal (as applicable); and (ii) the conclusion of the relevant Meeting (or, if applicable, the adjourned Meeting), the relevant Notes blocked in the relevant Clearing System and, in accordance with the requirements of, and by the deadline required by, the relevant Clearing System, it has submitted, or has caused to be submitted, an Electronic Voting Instruction to the relevant Clearing System to authorise the blocking of such Notes with effect on and from the date of such submission so that no transfers of such Notes may be effected until the occurrence of any of the events listed in (i) or (ii) above;
- (o) *Notes Outstanding*: none of the Notes that are the subject of the Electronic Voting Instruction are held beneficially by or for the account or benefit of the Issuer, any subsidiary of the Issuer, any Holding Company of the Issuer or any subsidiary of any such Holding Company;
- (p) *Withdrawal or termination*: in the event of a withdrawal or termination of the Consent Solicitation and/or the Proposal (as applicable), the Electronic Voting Instructions with respect to the relevant Notes will be deemed to be withdrawn, and the relevant Notes will be unblocked in the Direct Participant's Clearing System account;
- (q) *Accuracy of information*: the information given by or on behalf of such Noteholder in the Electronic Voting Instruction is in all respects true, accurate and not misleading and will in all respects be true, accurate and not misleading at the time of the implementation of the Extraordinary Resolution; and
- (r) *Indemnity*: the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Principal Paying Agent, the Agent Bank and the Information and Tabulation Agent will rely on the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties and undertakings and such holder will indemnify the Issuer, Canary Wharf Group plc, the Solicitation Agent, the Principal Paying Agent, the Agent Bank and the Information and Tabulation Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the agreements, representations, warranties and/or undertakings given in connection with the Consent Solicitation and/or the Proposal (as applicable).

The representation set out in paragraph (k) above may not be sought or given at any time after such representation is first made if and to the extent that it is or would be unenforceable at the relevant time (which for the avoidance of doubt, does not include the time of submission of the relevant Electronic Voting Instruction) by reason of breach of: (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (as amended) (or any law or regulation implementing such Regulation in any member state of the European Union); or (ii) Council Regulation (EC) No 2271/1996 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

## **General**

Eligible Noteholders may obtain, from the date of this Notice, a copy of the Consent Solicitation Memorandum from the Consent Website or by contacting the Information and Tabulation Agent, the contact details for which are set out below. A Noteholder will be required to produce evidence satisfactory to the Tabulation Agent as to



his or her status as an Eligible Noteholder and that he or she is a person to whom it is lawful to send the Consent Solicitation Memorandum and to make an invitation to participate in the Consent Solicitation under applicable laws before being sent a copy of the Consent Solicitation Memorandum.

Copies of: (i) the Trust Deed; (ii) this Notice of Meeting; and (iii) the current drafts of the Supplemental Trust Deed and the Amendment Agreements as referred to in the Extraordinary Resolution, are also available: (a) from the Consent Website or for collection by Noteholders on and from the date of this Notice of Meeting up to and including the date of the Meeting from the Information and Tabulation Agent, the contact details for which are set out below, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) up to and including the date of the Meeting; and (b) at the Meeting. Any revised versions of the drafts of the Supplemental Trust Deed and the Amendment Agreements made available as described above and marked to indicate changes to the draft made available on the date of this Notice of Meeting will supersede the previous drafts of the Supplemental Trust Deed and the Amendment Agreements, and Noteholders will be deemed to have notice of any such changes.

**The attention of Noteholders is particularly drawn to the procedures for voting, quorum and other requirements for the passing of the Extraordinary Resolution at the Meeting or any meeting held following any adjournment of the Meeting, which are set out in the second paragraph of "Voting and Quorum" below. Having regard to such requirements, Noteholders are strongly urged either to attend the Meeting (via teleconference) or to take steps to be represented at the Meeting (including by way of submitting Electronic Voting Instructions in favour of the Proposal (all such terms as defined in the Consent Solicitation Memorandum)) as soon as possible.**

In light of the ongoing developments in relation to coronavirus (COVID-19), it may be impossible or inadvisable to hold the Meeting at a physical location. Therefore, in accordance with the provisions of the Trust Deed, the Issuer has requested that the Trustee prescribe appropriate regulations regarding the holding of the Meeting via teleconference, as further described below. Any Noteholders who have a Voting Certificate and indicate to the Information and Tabulation Agent (the contact details for which are set out below) that they wish to attend the Meeting (via teleconference) will be provided with further details about attending the Meeting. Noteholders who do not indicate to the Information and Tabulation Agent prior to the Meeting that they wish to attend the Meeting will not be provided with details about attending the meeting and will not be able to attend the Meeting whether or not they hold a Voting Certificate.

Noteholders who have submitted Electronic Voting Instructions (and thereby requested that their votes are included in the block voting instruction appointing two or more representatives of the Information and Tabulation Agent as its proxy to attend the Meeting (and any adjourned Meeting) and to vote in the manner specified or identified in such Electronic Voting Instruction) will be unaffected by these alternative regulations and will not be requested to take any further action. The Issuer will take appropriate steps to ensure that only those who would otherwise be entitled to attend and vote at a physical meeting will be entitled to attend the teleconference.

### **Requirements of U.S. Securities Law**

If the Proposal is passed and implemented, the Supplemental Trust Deed will contain a statement that the Floating Rate Notes will be "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and Holders who are: (i) QIBs and U.S. persons (as defined in Regulation S under the Securities Act) should note that the Floating Rate Notes may only be offered, sold, pledged or otherwise transferred: (A): (1) to the Issuer; (2) so long as the relevant Note is eligible for resale pursuant to Rule 144A under the Securities Act, to a person whom the seller reasonably believes is a QIB that purchases the securities for its own account or for the account of one or more QIBs and to whom the seller delivers a notice of the transfer restrictions described in this paragraph; (3) to a person who is not a U.S. person in an offshore transaction meeting the requirements of Regulation S under the Securities Act; (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available); (5) pursuant to another available exemption from the registration requirements under the Securities Act; or (6) pursuant to an effective registration statement under the Securities Act; and (B) in accordance with all applicable securities laws of the United States; or (ii) not U.S. persons or acting for the account or benefit of U.S. persons (in each case as defined in Regulation S under the Securities Act) should note that, until the expiry of the period of 40 days after the later of: (A) the date on which the relevant Extraordinary Resolution is passed; and (B) the date the relevant proposed amendments to the terms of the Floating Rate Notes become effective, sales may not be made in the United States or to U.S. persons unless made: (I) outside the United States pursuant to Rule 903 and 904 of Regulation S; or (II) to QIBs and in transactions pursuant to Rule 144A under the Securities Act.

## Voting and Quorum

*Noteholders who have submitted and not revoked (in the limited circumstances in which revocation is permitted) a valid Electronic Voting Instruction in respect of the Extraordinary Resolution, by which they will have given instructions for the appointment of two or more representatives of the Information and Tabulation Agent by Principal Paying Agent as their proxy to attend and vote (as specified in the relevant Electronic Vote Instruction) in respect of the Extraordinary Resolution at the Meeting and any meeting held following any adjournment of the Meeting, need take no further action to be represented at the Meeting or any such adjourned meeting. Further details on how to submit an Electronic Voting Instruction are set out below.*

*Noteholders who have not submitted or have submitted and subsequently revoked (in the limited circumstances in which such revocation is permitted) an Electronic Voting Instruction in respect of the Extraordinary Resolution should take note of the relevant provisions set out below detailing how such Noteholders can attend or take steps to be represented at the Meeting (references to which, for the purpose of such provisions, include, unless the context otherwise requires, any meeting held following any adjournment of the Meeting).*

1. Subject as set out below, the provisions governing the convening and holding of a meeting of the Noteholders are set out in Schedule 5 to the Trust Deed, a copy of which is available for inspection by the Noteholders as referred to above.

*Each person (a beneficial owner) who is the owner of a particular aggregate Principal Amount Outstanding of the Notes through Euroclear, Clearstream, Luxembourg or a person who is shown in the records of Euroclear or Clearstream, Luxembourg as a holder of the Notes (a "Direct Participant"), should note that a beneficial owner will only be entitled to attend and vote at the Meeting in accordance with the procedures set out below and where a beneficial owner is not a Direct Participant it will need to make the necessary arrangements, either directly or with the intermediary through which it holds its Notes, for the Direct Participant to complete these procedures on its behalf.*

A Noteholder who wishes to attend and vote at the Meeting and any adjourned such Meeting in person must have obtained a valid Voting Certificate issued by the Principal Paying Agent.

A Noteholder may obtain a Voting Certificate in respect of its Notes permitting such Noteholder to attend the Meeting (via teleconference) by arranging for its Notes to be blocked in an account with Euroclear or Clearstream, Luxembourg (unless the Note is the subject of a block voting instruction which has been issued and is outstanding in respect of the Meeting or any adjourned such Meeting) not less than 48 hours before the time fixed for the Meeting (or, if applicable, any adjourned such Meeting) and within the relevant time limit specified by Euroclear or Clearstream, Luxembourg, as the case may be, upon terms that the Notes will not cease to be so blocked until the first to occur of the conclusion of the Meeting or any adjourned such Meeting and the surrender of the Voting Certificate to the Information and Tabulation Agent and notification by the Information and Tabulation Agent to Euroclear or Clearstream, Luxembourg, as the case may be, of such surrender or the compliance in such other manner with the rules of Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer notes that in accordance with advice issued by the U.K. government following the COVID-19 outbreak, non-essential meetings continue to be discouraged under the guidance and that there continue to be restrictions on the number of people that can meet indoors. The Issuer is therefore convening the Meeting by way of teleconference as opposed to holding a physical meeting. Details of the teleconference will be provided to Noteholders requesting Voting Certificates.

A Noteholder not wishing to attend and vote at the Meeting may either deliver the Voting Certificate to the person whom it wishes to attend on its behalf or give a voting instruction (in the form of an electronic voting instruction (an "**Electronic Voting Instruction**") in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg) to, and require the Principal Paying Agent to, include the votes attributable to its Notes in a block voting instruction issued by the Principal Paying Agent for the Meeting or any adjourned such Meeting, in which case the Principal Paying Agent will appoint a proxy to attend and vote at such Meeting in accordance with such Noteholder's instructions.

If a Noteholder wishes the votes attributable to its Notes to be included in a block voting instruction for the Meeting or any adjourned such Meeting, then: (i) the Noteholder must arrange for its Notes to be blocked in an account with Euroclear or Clearstream, Luxembourg for that purpose; and (ii) the Noteholder or a duly authorised person on its behalf must direct the Principal Paying Agent as to how

those votes are to be cast by way of an Electronic Voting Instruction, not less than 48 hours before the time fixed for the Meeting (or, if applicable, any adjourned such Meeting) and within the time limit specified by Euroclear or Clearstream, Luxembourg, as the case may be, upon terms that the Notes will not cease to be so blocked until the first to occur of: (i) the conclusion of the Meeting or any adjourned such Meeting; and (ii) not less than 24 hours before the time for which the Meeting is convened, the notification in writing of any revocation of a Noteholder's previous instructions to the Principal Paying Agent and the same then being notified in writing by the Principal Paying Agent to the Issuer and the Trustee and such Notes ceasing in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and with the agreement of the Principal Paying Agent to be held to its order or under its control.

***Each Noteholder which arranges for an Electronic Voting Instruction to be submitted must also confirm in such Electronic Voting Instruction whether it is an Eligible Noteholder or an Ineligible Noteholder. QIBs who wish to be treated as Eligible Noteholders will also need to submit to the Information and Tabulation Agent, in the form and by the deadline set out in the Consent Solicitation Memorandum, a Qualified Institutional Buyer Confirmation Letter, otherwise they will be treated as Ineligible Noteholders.***

For the above purposes, instructions given by Direct Participants to the Information and Tabulation Agent through Euroclear or Clearstream, Luxembourg will be deemed to be instructions given to the Principal Paying Agent.

2. As the proposed amendment is a Basic Terms Modification (as defined in the Trust Deed), the quorum required for the Extraordinary Resolution to be considered at the Meeting is two or more persons present (including by teleconference) and holding or representing in the aggregate not less than three-quarters of the aggregate Principal Amount Outstanding of the Notes for the time being outstanding.

In the event such quorum is not present (including by teleconference) within 15 minutes from the time initially fixed for a Meeting, such Meeting will be adjourned until such date, not less than 14 nor more than 42 days later, to be held via teleconference. At any such adjourned Meeting two or more persons present (including by teleconference) and holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Notes for the time being outstanding will form a quorum.

Voting Certificates obtained and Electronic Voting Instructions given in respect of any Meeting (unless revoked in accordance with the terms of the Trust Deed and, in the case of Electronic Voting Instructions, in accordance with the procedures of the Euroclear or Clearstream, Luxembourg, as the case may be) will remain valid for any such adjourned Meeting.

Noteholders should note these quorum requirements and should be aware that, if the Noteholders either present (including by teleconference) or appropriately represented at the Meeting are insufficient to form a quorum for the Extraordinary Resolution, the Extraordinary Resolution cannot be formally considered at such Meeting. Noteholders are therefore encouraged either to attend the Meeting (via teleconference) or to arrange to be represented at the Meeting as soon as possible.

3. Every question submitted to a Meeting will be decided in the first instance by a show of hands and in case of equality of votes the chairman of the Meeting will, both on a show of hands and on a poll, have a casting vote in addition to the vote or votes (if any) to which he may be entitled as a holder of a Voting Certificate or as a proxy or as a representative.

Unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the Meeting, the Issuer, the Trustee or by two or more persons present holding or representing not less than the 150<sup>th</sup> part of the aggregate Principal Amount Outstanding of the Notes then outstanding, a declaration by the chairman of the Meeting that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

On a show of hands every person who is present and is a holder of Notes or is a proxy or representative will have one vote. On a poll every such person will have one vote in respect of each £1,000 (or such lesser amount as is equal to the original principal amount of a Note) in original principal amount of the Notes of the relevant Series in respect of which he or she is a holder, proxy or representative.

4. To be passed at the Meeting, the Extraordinary Resolution requires a majority of not less than three-fourths of the votes cast in respect of the Extraordinary Resolution. If passed, the Extraordinary Resolution will be binding on all Noteholders, whether or not present at the Meeting at which it is passed and whether or not voting.

This Notice is given by Canary Wharf Finance II plc.

Noteholders should contact the following for further information:

***The Solicitation Agent***

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB

Telephone: +44 20 3134 8515  
Attention: Liability Management Group  
Email: [eu.lm@barclays.com](mailto:eu.lm@barclays.com)

***The Information and Tabulation Agent***

**Morrow Sodali Limited**

Email: [cwg@investor.morrowsodali.com](mailto:cwg@investor.morrowsodali.com)

Consent Website: <https://bonds.morrowsodali.com/cwg>

***In London:***

103 Wigmore Street  
W1U 1QS  
London

Telephone: +44 20 4513 6933

***In Hong Kong:***

Unit 23-016, LKF Tower  
33 Wyndham Street, Central  
Hong Kong

Telephone: +852 2319 4130

Dated: 27 October 2021

## ANNEX 1 TO THE NOTICE OF MEETING – COMPOUNDED DAILY SONIA

"**Compounded Daily SONIA**", means the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) with respect to an Interest Period, and will be calculated by the Agent Bank on the relevant Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005% being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" means, for any Interest Period, the number of calendar days in such Interest Period;

"**d<sub>0</sub>**" means, for any Interest Period, the number of London Banking Days in such Interest Period;

"**i**" means, for any Interest Period, a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling five London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling five London Banking Days prior to such earlier date, if any, on which the Floating Rate Notes are due and payable);

"**London Banking Day**" or "**LBD**" means any day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**" for any London Banking Day "**i**", in the relevant Interest Period, the number of calendar days from, and including, such London Banking Day "**i**" up to, but excluding, the following London Banking Day;

"**p**" means five London Banking Days;

"**Relevant Period**" means, in respect of an Interest Period, the period from, and including, the date falling five London Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "**p**" London Banking Days (being five London Banking Days) prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" London Banking Days (being five London Banking Days) prior to such earlier date, if any, on which the Floating Rate Notes become due and payable);

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate expressed as a percentage for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Reuters Screen SONIA Page (or if that page is unavailable, as otherwise is published by such authorised distributors) (the "**Screen Page**") on the London Banking Day immediately following such London Banking Day; and

"**SONIA<sub>i-pLBD</sub>**" means, in respect of any London Banking Day "**i**" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling "**p**" London Banking Days (being five London Banking Days) prior to the relevant London Banking Day "**i**".

If, in respect of any London Banking Day in the applicable Relevant Period, the Agent Bank determines that the SONIA Reference Rate is not available on the Reuters Screen SONIA Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate will be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to: (i) how the SONIA Reference Rate is to be determined; or (ii) any rate that is to replace the SONIA Reference Rate, the Agent

Bank will, subject to receiving written instructions from the Issuer to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA for the purpose of the relevant calculation for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

If the Floating Rate of Interest cannot be determined in accordance with the foregoing provisions in relation to any Interest Period, the Floating Rate of Interest applicable to the Floating Rate Notes during such Interest Period will be that determined as at the last preceding Interest Determination Date.

If the Floating Rate Notes become due and payable in accordance with Conditions 9 (*Events of Default*) or 10 (*Enforcement of Notes*), the final Interest Determination Date will, notwithstanding the definition specified above, be deemed to be the date on which such Floating Rate Notes became due and payable and the Floating Rate of Interest on such Floating Rate Notes will, for so long as any such Floating Rate Note remains outstanding, be the rate determined on such date.

## **RISK FACTORS AND OTHER CONSIDERATIONS**

*Before making a decision with respect to the Extraordinary Resolution, Noteholders should carefully consider, in addition to the other information contained in this Notice of Meeting, the following:*

### ***The market continues to develop in relation to SONIA as a reference rate for floating rate notes.***

Compounded Daily SONIA differs from LIBOR in a number of material respects, including (without limitation) that Compounded Daily SONIA is a backwards-looking, compounded, risk-free overnight rate, whereas LIBOR is expressed on the basis of a forward-looking term and includes a risk-element based on inter-bank lending. As such, investors should be aware that LIBOR and SONIA may behave materially differently as interest reference rates for the Notes.

Publication of SONIA (in its current form) began in April 2018 and the rate therefore has a limited history. The future performance of SONIA may therefore be difficult to predict based on limited historical performance. The level of SONIA during the term of the Notes may bear little or no relation to the historical level of SONIA. Prior observed patterns, if any, in the behaviour of market variables and their relation to SONIA such as correlations, may change in the future.

Investors should be aware that the market continues to develop in relation to SONIA as reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that proposed under the Extraordinary Resolution. Equally it may be difficult for the Issuer, if required, to find any future replacement interest rate swap provider or for the Issuer, if required, to find any future replacement issuer swap provider to appropriately hedge either the exposure to variance in interest rate in the mortgage portfolio or interest rate exposure on any floating rate notes (as applicable) determined by reference to compounded daily SONIA should a relevant swap provider need to be replaced and where available swap providers at such time are not prepared to hedge products determined by reference to a compounded daily SONIA. Interest on Notes which reference a SONIA rate is only capable of being determined at the end of the relevant reference period and immediately prior to the relevant interest payment date. It may be difficult for investors in Notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such Notes.

In addition, it should be noted that broadly divergent interest rate calculation methodologies may develop and apply as between the mortgage loans, the Notes and/or the swap agreements due to different market conventions, variations in applicable fall-back provisions or other matters and the effects of this are uncertain but could include a reduction in the amounts available to the Issuer to meet its payment obligations in respect of the notes. Further, changes to SONIA may adversely affect the operation of the swap agreements.

### ***The administrator of SONIA may make changes that could change the value of SONIA or discontinue SONIA.***

The Issuer has no control over the determination, calculation or publication of SONIA. There can be no guarantee that such rates will not be discontinued, suspended or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes which reference a SONIA rate. In particular, the BoE, as administrator of SONIA may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of investors in the Notes when calculating, adjusting, converting, revising or discontinuing SONIA.

## ANNEX 2 TO THE NOTICE OF MEETING – MARGIN ADJUSTMENT

### *Rationale for the Noteholder Proposal*

The formula for calculating interest on the Notes will be as set out in Annex 1 to the Notice of Meeting. Due to the differences in the nature of LIBOR and SONIA, the replacement of LIBOR as the reference rate for the Floating Rate Notes requires a corresponding credit adjustment spread to the existing Relevant Margin payable in respect of the Floating Rate Notes. The Proposal use the "5-year historical median" methodology agreed by the International Swaps and Derivatives Association ("**ISDA**") for determining this credit adjustment spread and recommended by the Working Group for use in cash products such as the Floating Rate Notes. It involves taking the median of the daily difference between LIBOR and SONIA in the 5 years leading up to the LIBOR Announcement Date. Using this methodology, the credit adjustment spread for 3-month Sterling LIBOR is 0.1193 per cent., as calculated and published by Bloomberg Index Services Limited on the LIBOR Announcement Date and as referenced on Bloomberg screen "SBP0003M Index" on the date of this Consent Solicitation Memorandum.

If the Proposal is implemented, the rate of interest in respect of the Floating Rate Notes for each Interest Period commencing on or after the Effective Date (being the interest payment date for the Floating Rate Notes falling in January 2022) will be determined by reference to Daily Compounded SONIA. For the avoidance of doubt, irrespective of whether or not the Proposal is implemented, the interest amounts paid in respect of the Floating Rate Notes on or before the Effective Date will continue to be Sterling LIBOR.

### *The Margin Adjustment*

In respect of the Floating Rate Notes, the Floating Rate of Interest that will be effective from the relevant Effective Date will be equal to Compounded Daily SONIA plus the New Margin.

**New Margin** means:

- A. the Class A7 Current Margin<sup>1</sup> / Class B3 Current Margin<sup>2</sup> / Class C2 Current Margin<sup>3</sup> / Class D2 Current Margin<sup>4</sup>; plus
- B. the Relevant Credit Adjustment Spread,

where:

- A. **Class A7 Current Margin** means 0.19 per cent. /  
**Class B3 Current Margin** means 0.28 per cent. /  
**Class C2 Current Margin** means 0.55 per cent. /  
**Class D2 Current Margin** means 0.84 per cent.
- B. **Relevant Credit Adjustment Spread** means 0.1193 per cent.

The detailed provisions relating to the calculation of Compounded Daily SONIA are set out in the Supplemental Trust Deed.

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<sup>1</sup> Applicable to the Class A7 Notes.

<sup>2</sup> Applicable to the Class B3 Notes.

<sup>3</sup> Applicable to the Class C2 Notes.

<sup>4</sup> Applicable to the Class D2 Notes.