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REGULATORY NEWS ANNOUNCEMENT

**FOR IMMEDIATE RELEASE
8 MARCH 2018**

WEST BROMWICH BUILDING SOCIETY LAUNCH OF LIABILITY MANAGEMENT EXERCISE

This announcement contains inside information.

Further to its announcement on 13 December 2017 (the “**December Announcement**”), West Bromwich Building Society (the “**Society**”) is pleased to announce the launch of its liability management exercise (the “**Liability Management Exercise**” or “**LME**”) in relation to its 3,650 Profit Participating Deferred Shares (the “**PPDS**”) and its £75 million 6.15 per cent. Permanent Interest Bearing Shares (the “**PIBS**”), on the terms set out in the December Announcement.

Summary

- Society’s capital position to be secured, allowing our existing lending plans to continue unchanged
- Binding commitments received from holders representing approximately 75.5 per cent. of the PPDS and 49.7 per cent. of the PIBS with respect to the LME
- Society’s capital structure to be modernised through issues of Core Capital Deferred Shares (the “**CCDS**”) and 11 per cent. Tier 2 subordinated notes (the “**Tier 2 Notes**”)
- Professional investors holding PPDS to be invited to exchange their holdings for a combination of CCDS, Tier 2 Notes and cash on the terms outlined below
- Professional investors holding PIBS to be invited to exchange their holdings for a combination of CCDS and cash on the terms outlined below
- Retail holders of PIBS to be invited to tender their holdings for cash on the terms outlined below
- Resolutions proposed to holders of the PPDS and the PIBS to enable the Society, amongst other things, to effect mandatorily the sweep-up of any remaining PPDS for CCDS, Tier 2 Notes and cash, on substantially the same economic terms as the terms of the PPDS exchange offer
- Prudential Regulation Authority (the “**PRA**”) re-affirmed its acceptance of the plan for the LME, with settlement of the LME subject to final results of the LME and regulatory approvals
- Upon successful conclusion of the LME and assuming only those PIBS holders from whom binding commitments have been received by the Society participate in the LME, on an indicative basis (had the LME been successfully completed on 30 September 2017 - the latest reporting date of the Society prior to this announcement), the Society expects that its common equity tier 1 (“**CET1**”) ratio would have decreased by approximately 0.4 percentage points to 13.7 per cent., its total capital ratio (with full impact of CRD IV implementation) would have increased by approximately 0.4 percentage points to 15.2 per cent. and Member Reserves

would have increased by approximately £42 million. On the same basis but assuming that 100 per cent. of PIBS holders participate in the LME, the Society expects that its CET1 ratio would have increased by approximately 0.3 percentage points to 14.4 per cent., its total capital ratio (with full impact of CRD IV implementation) would have increased by approximately 1.1 percentage points to 15.9 per cent. and Member Reserves would have increased by approximately £52 million.

Jonathan Westhoff, Chief Executive of the Society, said:

“Today marks an important milestone for the LME. Following our announcement in December, we have worked diligently with our advisers to progress the necessary regulatory approvals and prepare the necessary documents, and I am delighted to be able to announce the launch of the LME. The Board continues to consider the measures put forward to be in the best interests of the members of the Society as a whole. This modernisation of the Society’s capital base will secure the strong capital position of the Society and allow us to focus on serving our membership.”

PRA approvals

The PRA has accepted the plan for the LME, including the core commercial terms for the transaction summarised in this announcement. The necessary submissions for formal approvals have been made, subject only to the Society notifying the PRA of the final outcome of the LME. Accordingly, the Society currently expects to seek final approvals shortly after conclusion of the offer period. Settlement of the LME will be conditional upon such final approvals being granted.

Binding Commitments

As announced in December, the Society has entered into a Lock-up Agreement with certain institutional holders of the PPDS and the PIBS (the “**Consenting Holders**”) representing a total of 2,756 PPDS (approximately 75.5 per cent of the PPDS currently in issue) and a total of £37,253,000 in principal amount of PIBS (approximately 49.7 per cent of the total principal amount of PIBS currently in issue). Pursuant to the Lock-up Agreement, the Consenting Holders have given binding commitments to offer to exchange all such PPDS and PIBS in the LME, and to cast the votes attaching to such PPDS and PIBS in favour of all Variations, on the terms set out below.

Overview of the LME

The LME consists of the PPDS Exchange Offer, the PIBS Exchange Offer, the PIBS Tender Offer and the proposed Variations, each as defined in this announcement.

Professional Investors

The exchange offers (the “**Exchange Offers**”) consist of:

- an invitation to professional investors holding PPDS to offer to exchange their holdings for a combination of CCDS and Tier 2 Notes to be issued by the Society and cash (the “**PPDS Exchange Offer**”); and
- an invitation to professional investors holding PIBS to offer to exchange their holdings for a combination of CCDS to be issued by the Society and cash (the “**PIBS Exchange Offer**”),

in each case on terms more fully described below.

Retail Investors

Given that the Society is restricted under law and regulation from issuing CCDS and Tier 2 Notes to retail investors, and that the risks inherent in an investment in such securities are likely to render them

unsuitable for most retail investors, retail investors in the PPDS and the PIBS are not eligible to participate in the Exchange Offers.

As stated in the December Announcement, the Society believes that up to 10 per cent. of the PIBS may be held by retail investors. Retail holders of PIBS may elect to participate in a cash tender offer (the “**PIBS Tender Offer**”), on terms more fully described below.

The Society believes that the vast majority of PPDS holders are professional investors. Since the December Announcement, the Society has been approached by a very small number of PPDS investors who have identified themselves as retail investors. The Society proposes that such holders will be able to participate in the LME through an alternative arrangement, as further described below.

Variations

In January 2018, the PPDS holders, by way of written resolutions, authorised the Society to make certain variations to the Special Conditions of Issue of the PPDS to ensure their continued qualification as CET1 pending completion of the LME. These variations were made on 19 January 2018.

The Society has today proposed further written resolutions to the holders of the PPDS (the “**PPDS Written Resolutions**”), and has given notice to PIBS holders convening a meeting, to be held on 9 April 2018 (the “**PIBS Meeting**”), to consider a resolution (the “**Extraordinary Resolution**”). If passed, the PPDS Written Resolutions and the Extraordinary Resolution will enable the Society to make further variations to the Special Conditions of Issue of the PPDS and the PIBS, respectively (the “**Variations**”), specifically:

- (i) enabling the Society to effect mandatorily the sweep-up, on or around the settlement date of the LME, of any remaining PPDS for CCDS, Tier 2 Notes and cash on substantially the same economic terms as the PPDS Exchange Offer (the “**Sweep-up Option**”); and
- (ii) removing restrictions on, and obligations of, the Society if interest payments in respect of the PIBS have not been paid in full.

Under the Special Conditions of Issue of the PPDS and the PIBS, the Society is permitted to make:

- (1) variations to the PPDS terms with the consent in writing of the holders of at least three-quarters in number of the PPDS; and
- (2) variations to the PIBS terms with the sanction of a resolution passed at a separate meeting of the holders of the PIBS (the quorum for such meeting being one or more persons representing not less than one-third of the PIBS, and the resolution being passed if not less than three-quarters of the PIBS represented at such meeting are voted in favour).

If such Variations are approved in accordance with (1) or (2) above and implemented by the Society, they will bind all holders of the PPDS or the PIBS, as applicable, including those who did not sign the PPDS Written Resolutions or, as the case may be, vote in favour of the Extraordinary Resolution at the PIBS Meeting.

Since the Consenting Holders represent more than three-quarters in number of the PPDS, and the Consenting Holders have (in the Lock-up Agreement) agreed to provide the relevant written consents, the Society expects to be able to make the Variations to the Special Conditions of Issue of the PPDS under (1) above.

Since the Consenting Holders also represent nearly half of the PIBS outstanding, and the Consenting Holders have (in the Lock-up Agreement) agreed to vote in favour of the proposed Variations to the Special Conditions of Issue of the PIBS, the Society expects the proposed PIBS Meeting to be

quorate.

Participation in the PIBS Exchange Offer or PIBS Tender Offer will be conditional upon the holder appointing Lucid Issuer Services Limited (or its nominee) as such holder's proxy to attend the PIBS Meeting and cast the votes attaching to such holder's PIBS in favour of the Extraordinary Resolution put to the PIBS Meeting.

Participation in the PPDS Exchange Offer will not automatically result in the holder voting in favour of the PPDS Written Resolutions. However, the Society currently intends to settle the Exchange Offers and the PIBS Tender Offer only if the PPDS Written Resolutions are passed and the Sweep-up Option is exercised.

A copy of the notice of the PIBS Meeting has been submitted to the National Storage Mechanism and will shortly be available for inspection at: <http://www.morningstar.co.uk/uk/nsm>.

Eligibility of holders to participate

The Exchange Offers and PIBS Tender Offer are being made available to holders subject to customary jurisdictional offer restrictions and other eligibility criteria. If any holder wishes to support the LME but is not eligible to participate as a result of such restrictions, such holder is recommended to contact Lucid Issuer Services Limited as information agent in respect of the LME (the "**Information Agent**") as a matter of priority. The contact details for the Information Agent are set out towards the end of this announcement.

Exchange Offers

The Exchange Offers are only available to professional investors holding PPDS and PIBS. In order to participate in the Exchange Offers, a holder will have to confirm that it is a person who (i) is able to participate in accordance with the customary jurisdictional offer restrictions and (ii) satisfies all of the following criteria (an "**Eligible Professional Investor**"):

- (1) a person that, if such person were receiving services in the course of a firm carrying on a regulated activity, would be a client who is either a 'professional client' or an 'eligible counterparty' under Directive 2014/65/EU (as amended, "**MiFID II**");
- (2) a 'qualified investor' within the meaning of Article 2(1)(e) of Directive 2003/71/EC, as amended; and
- (3) if it is in the United Kingdom, it is an 'investment professional' for the purposes of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

PIBS holders who are not Eligible Professional Investors will (subject to jurisdictional offer restrictions) be able to participate in the PIBS Tender Offer.

PIBS Tender Offer

The PIBS Tender Offer is only available to retail holders of PIBS. In order to participate in the PIBS Tender Offer, a holder will have to confirm that it is a person who (i) is able to participate in accordance with the customary jurisdictional offer restrictions and (ii) is a person who, if they were receiving services in the course of a firm carrying on a regulated activity, would be a 'retail client' under MiFID II (an "**Eligible Retail Investor**").

Retail holders of PPDS

Holders of PPDS who are not Eligible Professional Investors on the grounds that they are retail investors should contact the Information Agent as a matter of priority, to obtain further information

about an alternative arrangement under which such holders may be able to exchange their PPDS. Pursuant to such alternative arrangement, such holder's PPDS may be exchanged for CCDS, Tier 2 Notes and cash on the same terms as the PPDS Exchange Offer. However, the CCDS and Tier 2 Notes will not be delivered to such holder and will, instead, be sold on such holder's behalf as soon as reasonably practicable following settlement of the LME, with the net proceeds of sale being paid to such holder. The contact details for the Information Agent are set out towards the end of this announcement.

Offer Documents

The Exchange Offers are being made on the terms set out in a Consent and Exchange Offer Memorandum (the "**CEOM**"), which also contains a near-final form of the listing particulars (the "**Listing Particulars**") setting out the full terms of issue of the CCDS and Tier 2 Notes, information about the Society and its business, certain risks associated with an investment in the CCDS and Tier 2 Notes and other information. The CEOM is available to Eligible Professional Investors from the Information Agent.

The PIBS Tender Offer is being made on the terms set out in a Consent and Tender Offer Memorandum (the "**CTOM**"). The CTOM is available to Eligible Retail Investors from the Information Agent.

Terms of the PPDS Exchange Offer

For each PPDS (which have an original principal value of £50,000 each) exchanged in the PPDS Exchange Offer, Eligible Professional Investors will be entitled to receive:

- (a) £6,164.38 of consideration (representing 12.329 per cent. of original principal value) which will be used to pay up an equivalent principal amount of Tier 2 Notes;
- (b) £31,013.70 of consideration (representing 62.027 per cent. of original principal value) which will be used to pay up CCDS at an issue price of £100 per CCDS (comprising £1 of nominal value and £99 of premium per CCDS); and
- (c) £750 in cash (representing 1.50 per cent. of original principal value),

all on the terms and subject to the conditions more fully set out in the CEOM (the "**PPDS Exchange Offer Consideration**"). The Society will not pay any amounts for or in respect of PPDS dividends.

In addition, Eligible Professional Investors whose PPDS are exchanged in the PPDS Exchange Offer will, if the PPDS Exchange Offer successfully settles, also be entitled to receive a completion premium (the "**PPDS Exchange Completion Premium**") equal to £500 per PPDS (representing 1.00 per cent. of original principal value).

The Society currently intends to exercise the Sweep-up Option in respect of any PPDS not validly exchanged in the PPDS Exchange Offer. The Sweep-up Option will operate on substantially the same terms as the PPDS Exchange Offer, save that the PPDS Exchange Completion Premium will not be available under the terms of the Sweep-up Option.

However, if a PPDS holder is ineligible to participate in the PPDS Exchange Offer as a result of the jurisdictional offer restrictions, such holder will be able to receive the PPDS Exchange Completion Premium if the PPDS Exchange Offer successfully settles, provided such holder validly signs and returns the PPDS Written Resolutions approving the PPDS Variations. Any such holder should contact the Information Agent as a matter of priority to obtain further information.

Terms of the PIBS Exchange Offer

For every £100 of principal amount of PIBS exchanged in the PIBS Exchange Offer, Eligible Professional Investors will be entitled to receive:

- (a) £27.16667 of consideration which will be used to pay up CCDS at an issue price of £100 per CCDS (comprising £1 of nominal value and £99 of premium per CCDS); and
- (b) £41.50 in cash,

all on the terms and subject to the conditions more fully set out in the CEOM (the “**PIBS Exchange Offer Consideration**”). The Society will not pay any amounts for or in respect of accrued interest in respect of the PIBS.

In addition, Eligible Professional Investors whose PIBS are exchanged in the PIBS Exchange Offer will, if the PIBS Exchange Offer successfully settles, also be entitled to receive a completion premium (the “**PIBS Exchange Completion Premium**”) equal to £1 per £100 of principal amount of PIBS exchanged in the PIBS Exchange Offer.

If a professional investor holding PIBS is ineligible to participate in the PIBS Exchange Offer as a result of the jurisdictional offer restrictions, such holder will be able to receive the PIBS Exchange Completion Premium if the PIBS Exchange Offer successfully settles, provided such holder appoints the Information Agent (or its nominee) as its proxy to attend the PIBS Meeting and vote such holder’s PIBS in favour of the Extraordinary Resolution. Any such holder should contact the Information Agent as a matter of priority to obtain further information.

Terms of the PIBS Tender Offer

For every £100 of principal amount of PIBS tendered and purchased in the PIBS Tender Offer, Eligible Retail Investors will be entitled to receive £51 in cash (the “**PIBS Tender Offer Consideration**”). The Society will not pay any amounts for or in respect of accrued interest in respect of the PIBS.

In addition, Eligible Retail Investors whose PIBS are purchased in the PIBS Tender Offer will, if the PIBS Tender Offer successfully settles, also be entitled to receive a completion premium (the “**PIBS Tender Completion Premium**”) equal to £1 per £100 of principal amount of PIBS tendered and purchased in the PIBS Tender Offer.

If a retail PIBS holder is ineligible to participate in the PIBS Tender Offer as a result of the jurisdictional offer restrictions, such holder will be able to receive the PIBS Tender Completion Premium if the PIBS Tender Offer successfully settles, provided such holder appoints the Information Agent as its proxy to attend the PIBS Meeting and vote such holder’s PIBS in favour of the Extraordinary Resolution. Any such holder should contact the Information Agent as a matter of priority to obtain further information.

Terms of the CCDS and the Tier 2 Notes

The terms of the CCDS and Tier 2 Notes are set out in the Listing Particulars, which are attached in near-final form to the CEOM. If the LME successfully completes, the Society currently expects that the Listing Particulars will be finalised and published on or around 10 April 2018.

Certain key commercial terms of the CCDS and the Tier 2 Notes are set out below:

Certain summary terms of CCDS

Issue Price	£100 per CCDS (representing £1 of nominal amount and £99 of premium per CCDS).
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Minimum Transfer Amount	The CCDS will be subject to a minimum transfer amount of 500 CCDS.
No maturity	The CCDS will constitute perpetual, permanent non-withdrawable deferred shares of the Society and will have no maturity date. The Society may, however, elect to purchase CCDS at its discretion, subject to regulatory approval.
Subordination	The CCDS will be the most junior-ranking capital instrument of the Society. In a winding-up or dissolution of the Society, the claims of CCDS holders will be limited to a deeply subordinated claim for any declared and unpaid Distributions plus a share of the surplus assets (if any) of the Society remaining once all liabilities of the Society have been satisfied in full.
Distributions	<p>The Society's Board of Directors (the "Board") will be entitled, in its sole and absolute discretion, from time to time to declare periodic distributions ("Distributions") in respect of the CCDS. With respect to any given financial year of the Society, the Board may declare an interim Distribution (an "Interim Distribution") during such financial year and/or a final Distribution (a "Final Distribution") in respect of such financial year.</p> <p>The Board currently expects that, with respect to any financial year, any Interim Distribution declared will be paid on 20 February during such financial year and any Final Distribution will be paid on 20 August immediately following such financial year (or, if any such day is not a London business day, on the next London business day). However, the Society may elect to vary the date of payment from time to time.</p> <p>The Board shall have full discretion whether or not to declare any Distribution, and (if declared) the amount of any such Distribution (subject to the Cap referred to below). Further, Distributions will be paid only out of available distributable items, and subject to any maximum distributable amount restrictions under Article 141 of Directive 2013/36/EU. Failure to declare any Distributions shall not constitute a default by the Society for any purpose, and no amount shall accrue in respect of Distributions, nor shall any amount accumulate, if the Board does not declare any Distributions.</p>
Cap on Distributions	<p>The total Distribution paid on each CCDS in respect of any given financial year of the Society shall not exceed the prevailing periodic distributions cap determined in accordance with the Rules of the Society (the "Cap").</p> <p>Whilst the Board will not pay any Distributions in respect of the Society's financial year ending 31 March 2018, for illustrative purposes only the Cap on such Distributions, if declared, would have been determined by applying the Consumer Prices Index annual inflation percentage published by the Office for National Statistics in its statistical bulletin for March 2018 to the prevailing Cap in respect of the financial year to 31 March 2017 of £15.42.</p> <p>The Cap will be adjusted for inflation in each year in accordance with, and subject to, the Rules of the Society.</p>
Distribution Policy	The Board intends to set a policy (the " Distribution Policy ") in respect of Distributions. The Distribution Policy, which is expected to be substantially in the form of the indicative distribution policy set out below, is entirely discretionary, and the Board may elect to amend or depart from such policy at any time.
Form	The CCDS will be issued with a minimum investment amount equal to 500

CCDS.

The CCDS will be issued in registered form and represented upon issue by a global certificate deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. (the “**Clearing Systems**”). Beneficial interests in the CCDS will be traded in the Clearing Systems.

Rating	As a CET1 instrument, the CCDS will not be rated.
Listing	The Society intends to make an application to the Luxembourg Stock Exchange for the CCDS to be admitted to the Official List and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.
Voting	<p>At any meeting of the CCDS holders as a separate class, each CCDS holder will have one vote for each CCDS held.</p> <p>In line with the ‘one member one vote’ principle, at any general meeting of the members of the Society, any registered holder of any CCDS will have a single vote (regardless of the number of CCDS held by it). However, for so long as the CCDS are traded in the Clearing Systems (which is expected to remain the case indefinitely), the only registered holder of CCDS would be the nominee for the common depositary for the Clearing Systems, and the nominee will elect not to exercise that single vote (with the effect that investors in the CCDS will not be entitled to vote at general meetings of the Society).</p>

Certain summary terms of the Tier 2 Notes

Issue Price	100 per cent. of the principal amount.
Subordination	The Tier 2 Notes will be subordinated liabilities of the Society, ranking junior to unsubordinated liabilities and any senior non-preferred liabilities, at least <i>pari passu</i> with other tier 2 securities of the Society and in priority to tier 1 securities of the Society (including the CCDS and the PIBS).
Interest	11 per cent. of the principal amount per annum, payable in equal instalments semi-annually in arrear.
Maturity	20 years from the date of issue.
Optional Redemption	The Society will retain an option, subject to regulatory consent, to redeem the Tier 2 Notes at par on the interest payment date falling 5 years prior to the maturity date or any subsequent interest payment date.
Special Event Redemption	The Society will retain customary options, subject to regulatory consent, to redeem the Tier 2 Notes at par at any time in the event of certain changes in the tax treatment of the Tier 2 Notes or if the Tier 2 Notes cease in full or in part to qualify as tier 2 capital.
Form	<p>The Tier 2 Notes will be issued in denominations of £1,000 and integral multiples of £100 in excess thereof.</p> <p>The Tier 2 Notes will be issued in registered form and represented upon issue by a global certificate deposited with, and registered in the name of a nominee for, a common depositary for the Clearing Systems. Beneficial interests in the Tier 2 Notes will be traded in the Clearing Systems.</p>
Rating	The Society does not expect to seek a credit rating for the Tier 2 Notes.

Listing The Society intends to make an application to the Luxembourg Stock Exchange for the Tier 2 Notes to be admitted to the Official List and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange.

Voting At any meeting of the Tier 2 Note holders as a separate class, each holder will have one vote for each £1 in principal amount of Tier 2 Notes held.

A holding of any Tier 2 Notes will not entitle holders to attend or vote at general meetings of the Society.

Indicative Distribution Policy for the CCDS

The Society expects to publish its initial Distribution Policy in substantially the following terms. The Distribution Policy will be entirely discretionary, and the Board may elect to amend or depart from such policy at any time.

“When determining the interim or final Distributions (if any) to be declared in respect of the CCDS in respect of any given financial year, the Board will have regard to all relevant factors which it considers to be appropriate, including:

- *the profitability of the Society and its resources available for distribution;*
- *the outlook for the Society’s business, its short-term and long-term viability and the impact on the Society of the macro-economic environment in the UK, including inflation;*
- *the capital and liquidity position of the Society at the time of declaring the Distribution;*
- *the value to the Society of the capital provided by CCDS holders and rewarding investment in the capital of the Society in a commercially responsible manner, having regard to the risks inherent in such investments and the Society’s need to maintain access to capital in the future;*
- *the benefits received by other members of the Society through the operation of the Society’s business in accordance with the principles of mutuality; and*
- *the Cap on Distributions under the Society’s Rules,*

and subject always to applicable law and regulation and the following overriding fiduciary duties and principles:

- *the duty of the directors to act in the best interests of the Society;*
- *the duty of the directors to have due regard to the interests of all categories of member, both current and future, of the Society; and*
- *the principles of mutuality that apply by virtue of being a building society.*

The Board currently intends not to declare any Distributions in respect of the financial years ended 31 March 2018 and 31 March 2019.

The current intention of the Board is to target the payment of Distributions thereafter as follows:

- *in respect of the financial year ended 31 March 2020, an Interim Distribution of £0.50 per CCDS and a Final Distribution of £0.50 per CCDS;*

- *in respect of the financial year ended 31 March 2021, an Interim Distribution of £1.00 per CCDS and a Final Distribution of £1.00 per CCDS ;*
- *in respect of the financial year ended 31 March 2022, an Interim Distribution of £1.50 per CCDS and a Final Distribution of £1.50 per CCDS;*
- *in respect of the financial year ended 31 March 2023, an Interim Distribution of £2.25 per CCDS and a Final Distribution of £2.25 per CCDS.*

The Board currently intends, under normal circumstances, to adopt a stable distribution policy after the financial year ended 31 March 2023, and therefore expects that the Distribution level indicated above for the financial year ended 31 March 2023 would be appropriate for subsequent years, subject to the Society's then-current and anticipated financial position being viewed as satisfactory and any other factors considered by the Board to be relevant.

The Society notes, however, that the targeted path of Distributions and the targeted long-term Distributions set out above are dependent on improvement in the Society's annual profitability from its current level. In the event that the Society's profitability and/or financial position diverges from the Board's current expectations, it is likely that the Board will choose to amend its Distribution Policy or depart from it.

The indications stated above are not binding on the Society and the Board will have absolute discretion (subject to applicable law and regulation) whether or not to declare any interim or final Distribution in respect of any financial year and, if any such Distribution is declared, the amount of such Distribution. Accordingly, in respect of any given financial year, the Board may elect not to declare any Distributions, or may declare an interim and/or a final Distribution, and any such Distribution may be higher (subject to the Cap) or lower than the indications stated above. Further, the Board may amend its Distribution Policy at any time."

Given the Society's proposed Distribution Policy in respect of the CCDS, the Society anticipates that any trading in the CCDS is likely initially to be at a substantial discount to their issue price of £100 per CCDS.

Intention for residual PPDS and PIBS

The Society currently intends to exercise the Sweep-up Option in respect of any PPDS not validly exchanged in the PPDS Exchange Offer. The Sweep-up Option will operate on substantially the same terms as the PPDS Exchange Offer, save that the PPDS Exchange Completion Premium will not be available under the terms of the Sweep-up Option.

In the event that any PIBS remain outstanding following conclusion of the LME, the current intention of the Board is to establish a policy whereby if it elects, in its sole discretion, to make any future payments of distributions on such residual PIBS, such payments will be made only if and to the extent that they would have been permitted had the LME not taken place. This will limit interest payments on the PIBS to the lower of (i) the equivalent annual yield that would have been paid to holders of PPDS (had they remained in issue on their original terms); and (ii) the annual rate set out in the Special Conditions of Issue of the PIBS (the "**Specified Rate**"), being 6.15 per cent. prior to 5 April 2021 and, thereafter, a rate of interest reset periodically and equal to the applicable 5-year gilt rate plus a margin of 2.8 per cent.

The Society notes that under this policy it is likely that no interest payments will be made on the PIBS (if any remain outstanding) in the near term (including, for the avoidance of doubt, on 5 April 2018), and that subsequent interest payments on the PIBS, if made, will likely be below the Specified Rate. Further, the Board will continue to have complete discretion under the Special Conditions of Issue of the PIBS not to declare any distributions. The Board currently expects to pass a resolution cancelling the PIBS interest payment scheduled for 5 April 2018 in full. The Board will continue to keep its

expected policy under review, having regard to its duties to act in the interests of the members of the Society as a whole.

Procedures for Participating in the Exchange Offers or the PIBS Tender Offer

Exchange Offers

Detailed procedures for participating in the Exchange Offers are set out in the CEOM, which is available to Eligible Professional Investors from the Information Agent. Any queries in respect of such procedures should be raised with the Information Agent as a matter of priority.

Only persons named as holders on the PPDS and PIBS registers or, in the case of PIBS, direct participants in CREST, Euroclear and Clearstream, Luxembourg, will be able to submit exchange instructions in the Exchange Offers. Holders who hold their PPDS and PIBS with any bank, securities broker or other intermediary (an “**Intermediary**”) should contact their Intermediary as a matter of priority to determine when such Intermediary will need instructions from such holder in order to offer to exchange such holder’s PPDS and/or PIBS in the Exchange Offers.

PIBS Tender Offer

Detailed procedures for participating in the PIBS Tender Offer are set out in the CTOM, which is available to Eligible Retail Investors from the Information Agent. Any queries in respect of such procedures should be raised with the Information Agent as a matter of priority.

Only persons named as holders on the PIBS register or direct participants in CREST will be able to submit tender instructions in the PIBS Tender Offer. Holders who hold their PIBS with any bank, securities broker or other Intermediary should contact their Intermediary as a matter of priority to determine when such Intermediary will need instructions from such holder in order to tender such holder’s PIBS in the PIBS Tender Offer.

Expected timetable for the LME

Set out below is the expected timetable for the LME. This timetable is indicative only, and the Society has the right to amend the dates, times and sequence of events in the LME in its sole discretion.

Holders who hold their PPDS and PIBS with any bank, securities broker or other Intermediary should contact their Intermediary as a matter of priority to determine the deadlines by which such Intermediary will need instructions from such holder in order for such holder to be able to participate in the LME. Such deadlines will be earlier than the deadlines referred to below.

Events	Dates and Times <i>(London times)</i>
<i>Commencement of the Offers</i>	8 March 2018
Exchange Offers announced. CEOM available to Eligible Professional Investors from the Information Agent.	
PIBS Tender Offer announced. CTOM available to Eligible Retail Investors from the Information Agent.	
Notice of Meeting sent to PIBS holders. Form of PPDS Written Resolutions sent to PPDS holders.	
<i>PPDS Written Resolutions Record Date</i>	5 April 2018

All PPDS holders wishing to vote in favour of the PPDS Written Resolutions to have returned their completed written resolutions to the Information Agent on or prior to 5.00 p.m. (London time) on the PPDS Written Resolutions Record Date. Information Agent to obtain evidence of holdings of PPDS, including any custodian or other intermediary through which holders hold beneficial interests in PPDS, as at 5.00 p.m. (London time) on the PPDS Written Resolutions Record Date.

Participation Deadline

3.00 p.m. on 5 April 2018

Deadline for receipt of all exchange instructions in respect of all PPDS and PIBS for an Eligible Professional Investor to be eligible (if such PPDS and PIBS are accepted for exchange) to receive the PPDS Exchange Offer Consideration and PPDS Exchange Completion Premium or PIBS Exchange Offer Consideration and PIBS Exchange Completion Premium, as applicable.

Deadline for receipt of all tender instructions in respect of all PIBS for an Eligible Retail Investor to be eligible (if such PIBS are accepted for purchase) to receive the PIBS Tender Offer Consideration and PIBS Tender Completion Premium. Accordingly, this is the latest time and date for (i) receipt of Tender Instruction Forms and share certificates or other documents of title for tendered certificated PIBS; and (ii) settlement of TTE Instructions for PIBS tendered in CREST.

Voting Deadline and PIBS Record Time

5.00 p.m. on 5 April 2018

The final time at which a valid exchange instruction or valid tender instruction in the PIBS Exchange Offer or PIBS Tender Offer, respectively, will also constitute an instruction to appoint the Information Agent (or its nominee) as proxy to vote in favour of the Extraordinary Resolution at the PIBS Meeting.

The final time for making alternative arrangements to vote at the PIBS Meeting (if the PIBS Holder is not participating in the PIBS Exchange Offer or the PIBS Tender Offer).

Only PIBS Holders who hold their PIBS as at the PIBS Record Time (and continue to hold them until conclusion of the Meeting) will be eligible to vote (or to appoint a proxy to vote) at the PIBS Meeting (unless the PIBS Meeting is adjourned).

Indicative Results Announcement

6 April 2018

Announcement of (i) the number of PPDS and the aggregate nominal amount of PIBS validly offered for exchange in the Exchange Offers prior to the Participation Deadline; (ii) the aggregate nominal amount of PIBS validly tendered in the PIBS Tender Offer prior to the Participation Deadline; and (iii) whether the PPDS Written Resolutions have been passed.

Meeting of Holders of PIBS

5.30 p.m. on 9 April 2018

Meeting to consider the Extraordinary Resolution approving the Variations to the PIBS Conditions.

Results Announcement

10 April 2018

Announcement of the following: (i) the number of PPDS and the aggregate nominal amount of PIBS validly offered for exchange in the Exchange Offers; (ii) the aggregate nominal amount of PIBS validly tendered in the PIBS Tender Offer; (iii) whether the Society accepts for exchange and purchase any such PPDS and PIBS and, if so, the number of PPDS and the nominal amount of PIBS accepted; (iv) (if the PPDS Written Resolutions have been passed) confirmation of variation of the PPDS Conditions and whether the Society will exercise the Sweep-up Option in respect of the PPDS (which it currently expects to do); (v) the number of CCDS and aggregate nominal amount of Tier 2 Notes which the Society expects to issue on the Settlement Date; (vi) the aggregate amounts of cash payments to be paid to Holders on the Settlement Date pursuant to the Exchange Offers and the amounts payable by the Society pursuant to the PIBS Tender Offer; and (vi) whether the Extraordinary Resolution was passed at the PIBS Meeting and, if so, confirmation of variation of the PIBS Conditions.

Settlement Date

12 April 2018

Expected settlement of the Exchange Offers, the PIBS Tender Offer and (if exercised) the Sweep-up Option, including (i) cancellation of PPDS and PIBS validly exchanged in the Exchange Offers, PIBS validly tendered in the PIBS Tender Offer and PPDS cancelled pursuant to the Sweep-up Option; (ii) issue and delivery of CCDS and Tier 2 Notes; and (iii) payment of cash payments in the Exchange Offers and the PIBS Tender Offer.

Further information

The Society has appointed **Lucid Issuer Services Limited** as Information Agent in respect of the LME, as exchange agent for the Exchange Offers and as tabulation agent for the PPDS Written Resolutions and the PIBS Meeting (the “**Exchange Agent**”). All requests for the CEOM and CTOM, and all queries regarding participation in the LME, should be addressed to the Information Agent at the following contact details:

Lucid Issuer Services Limited
Tankerton Works, 12 Argyle Walk
London WC1H 8HA
United Kingdom

Tel: +44 20 7704 0880
Attention: Yves Theis / David Shilson
email: westbrom@lucid-is.com

The Society has also appointed **Equiniti Limited** as tender agent for the PIBS Tender Offer (the “**PIBS Tender Agent**”):

Equiniti Limited
Corporate Actions

Aspect House
Spencer Road
Lancing
West Sussex, BN99 6DA
United Kingdom

Evercore Partners International LLP is acting as financial adviser to the Society and Allen & Overy LLP is acting as legal adviser to the Society.

Market Abuse Regulation

This announcement is released by West Bromwich Building Society and contains information that qualifies or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (“**MAR**”), encompassing information relating to the Liability Management Exercise described above. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging the release of this announcement on behalf of West Bromwich Building Society is Ashraf Piranie, Group Finance & Operations Director.

Forward-Looking Statements

This announcement and documents referred to in it contain “forward-looking statements” concerning the Society and the Liability Management Exercise. Generally, the words “will”, “may”, “should”, “could”, “would”, “can”, “continue”, “opportunity”, “believes”, “expects”, “intends”, “anticipates”, “estimates” or similar expressions identify forward-looking statements. The forward-looking statements involve risks and uncertainties that could cause actual results or actions to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Society’s ability to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. The Society assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable law.

DISCLAIMER

None of this announcement, the CEOM, the CTOM or any other materials relating to the LME constitute an offer or an invitation to participate in the LME in any jurisdiction in or from which, or to any person to whom, it is unlawful to make such offer or invitation under applicable laws. None of this announcement, the CEOM, the CTOM or any other materials relating to the LME should be distributed or released in or into the United States, South Africa, Japan, Hong Kong, Singapore, Italy, Switzerland or Canada or any other jurisdiction or territory in breach of law or regulation. The distribution of this announcement, the CEOM, the CTOM and any other materials relating to the LME in certain jurisdictions may be restricted by law. Persons into whose possession this announcement, the CEOM, the CTOM or any such other materials comes are required by the Society, the Exchange Agent and the PIBS Tender Agent to inform themselves about, and to observe, any such restrictions. No action has been or will be taken in any jurisdiction by the Society, the Exchange Agent or the PIBS Tender Agent that would permit a public offering of the CCDS or the Tier 2 Notes (the “Securities”).

Eligibility: Only Eligible Professional Investors may participate in the Exchange Offers. Only Eligible Retail Investors may participate in the PIBS Tender Offer.

MiFID II product governance / professional investors and ECPs only target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market of the Securities is ‘eligible counterparties’ and ‘professional clients’ only, each as defined in MiFID II; and (ii) all channels for the distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

PRIPs Regulation / prohibition of sales to EEA retail investors – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a “retail investor” means a person who is one (or more) of: (i) a ‘retail client’ as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a ‘professional client’ as defined in point (10) of Article 4(1) of MiFID II. No key information document required by Regulation (EU) No 1286/2014 (the “PRIPs Regulation”) for offering or selling securities falling within scope of the PRIPs Regulation or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may, if the Securities were to be determined to fall within the scope of the PRIPs Regulation, be unlawful under the PRIPs Regulation.

COBS 22.2 / restriction on marketing and sales to retail investors - The Securities are financial instruments with complex features, and will not be a suitable or appropriate investment for all investors. The offer, sale or distribution of the Securities to certain investors, including retail investors, may be restricted or prohibited by law in certain jurisdictions. In particular, in June 2015, the UK Financial Conduct Authority (the “FCA”) published the Product Intervention (Contingent Convertible Instruments

and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "Product Intervention Instrument"). Under the rules contained in the Product Intervention Instrument and Chapter 22.2 of the Conduct of Business Sourcebook ("COBS 22.2") in the FCA's Handbook (as such rules may be amended or replaced from time to time, the "Product Intervention Rules"), there are restrictions on the sale of 'mutual society shares' (which would include the CCDS) to 'retail clients' in the EEA. For these purposes, a "retail client" is a person who is, or who if he were receiving services in the course of a firm carrying on a regulated activity would be, a client who is neither a 'professional client' nor an 'eligible counterparty' under MiFID II. The Society is required to comply with the Product Intervention Rules and COBS 22.2. Given the nature of the restrictions contained in the Product Intervention Instrument and COBS 22.2, the offer of CCDS is not made to retail clients (as that term is defined for the purposes of the Product Intervention Rules and COBS 22.2), and the Society will not offer or sell CCDS to retail clients, nor will the Society at any time take, or be required to take, any action which would facilitate an offer or sale of any CCDS to any retail client.

United States: The offers described herein (the "Offers") are being made, and any Securities will be offered and issued, only in offshore transactions in reliance upon Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act"). The Offers are not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. PPDS and PIBS may not be tendered or offered for exchange by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement, the CEOM, the CTOM and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States. Any purported tender of or offer to exchange PPDS or PIBS resulting directly or indirectly from a violation of these restrictions will be invalid and will not be accepted. "United States" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia. The Securities have not been and will not be registered under the Securities Act, or any state securities laws. Accordingly, the Securities are and will be subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and other applicable securities laws, pursuant to an exemption from registration. Registration rights will not be granted in favour of the Securities and they may not be offered, sold, pledged or otherwise transferred except outside the United States in accordance with Rule 903 or Rule 904 of Regulation S.

United Kingdom: This announcement, the CEOM, the CTOM and any other materials relating to the LME may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply. Accordingly, this announcement, the CEOM, the CTOM and any other materials relating to the LME are only for circulation inside the United Kingdom to persons who fall within the definition of investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or to whom they may otherwise be lawfully communicated in accordance with the Order. The Offers will only be available in the United Kingdom to such persons and the transactions contemplated herein will be available only to, and may be engaged in only with, such persons.

Italy: The Offers are not being made, directly or indirectly, in the Republic of Italy. None of the Offers, this announcement, the CEOM, the CTOM or any other document or materials relating to the Offers have been or will be submitted to the clearance procedures of the Commissione Nazionale per le Società e la Borsa (CONSOB) pursuant to Italian laws and regulations. Accordingly, neither the Offers, nor this announcements, the CEOM, the CTOM or any other offering material relating to the Offers or the Securities may be distributed or made available in the Republic of Italy and no marketing, promotional, informative or solicitation activity whatsoever can be performed in the Republic of Italy.

France: The Offers are not being made, directly or indirectly, to the public in the Republic of France ("France"). None of this announcement, the CEOM, the CTOM or any other document or material relating to the Offers has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code monétaire et financier, are eligible to participate in the Offers. This announcement, the CEOM, the CTOM and any other materials relating to the Offers have not been and will not be submitted for clearance to nor approved by the Autorité des Marchés Financiers.

Belgium: None of this announcement, the CEOM, the CTOM or any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (Autoriteit voor financiële diensten en markten / Autorité des services marchés financiers) and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids as amended or replaced from time to time (the "Belgian Takeover Law") or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets as amended or replaced from time to time (the "Belgian Prospectus Law"). Accordingly, the Offers may not be advertised and will not be extended, and neither this announcement nor the CEOM, CTOM or any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account (without prejudice to Article 6, §4 of the Belgian Takeover Law and Article 3, §4 of the Belgian Prospectus Law), and provided that they do not qualify as a "consumer" within the meaning of the Belgian Code of 28 January 2013 on economic law. Insofar as Belgium is concerned, this announcement, the CEOM, the CTOM and any other materials relating to the Offers have been or will have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offers. Accordingly, the information contained in this announcement or in the CEOM, CTOM or such other materials may not be used for any other purpose or disclosed to any other person in Belgium, without prejudice to Article 6, §4 of the Belgian Takeover Law and Article 3, §4 of the Belgian Prospectus Law.

Japan: The Securities have not been, and they will not be, registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "FIEA"). The Securities may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined in Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act No. 228 of 1949, as amended), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Australia: No prospectus, product disclosure statement or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia ("Corporations Act")) in relation to the Securities has been or will be lodged with the Australian Securities and Investments Commission ("ASIC"). This announcement, the CEOM, the CTOM and any other materials relating to the Offers do not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act, and do not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. Investors should note that (a) the Securities have not been and will not be (directly or indirectly) offered for issue or sale and no invitation, applications for issue, or offers to purchase, the Securities in, to or from Australia (including an offer or invitation which is received by a person in Australia) has been or will be made; and (b) this announcement, the CEOM, the CTOM and any other information memorandum, advertisement or other offering material relating to the Securities, have not been and will not be distributed or published, in Australia, unless (1) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (2) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act, (3) such action complies with all applicable laws, regulations and directives and (4) such action does not require any document to be lodged with ASIC. The Securities must not be offered for sale in Australia in the period of 12 months after the date of their issue, except in circumstances where disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act would not be required pursuant to an exemption under the Corporations Act, or otherwise where the offer for sale is made pursuant to a disclosure document that complies with Part 6D.2 or Part 7.9 of the Corporations Act. Any person acquiring the Securities must observe such Australian on-sale restrictions.

Hong Kong: No Securities have been offered or sold or will be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O. No advertisement, invitation or document relating to the Securities has been issued or has been in the possession of any person for the purposes of issue, nor will any such advertisement, invitation or document be issued or be in the possession of any person for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore: This announcement, the CEOM, the CTOM and any other materials relating to the Offers have not been registered as a prospectus with the Monetary Authority of Singapore and the Securities will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, the Securities have not been, and will not be, offered or sold or caused to be made the subject of an invitation for subscription or purchase, nor has this announcement or the CEOM, the CTOM or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities been circulated or distributed, nor will they be circulated or distributed, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA; (b) to a relevant person under Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where Securities are subscribed or purchased under Section 275 of the SFA by: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person pursuant to Section 275 of the SFA, or to any person pursuant to Section 275(1A), respectively, and in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; (3) where the transfer is by operation of law; (4) pursuant to Section 276(7) of the SFA; or (5) pursuant to Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

Switzerland: The Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This announcement, the CEOM, the CTOM and any other materials relating to the Offers do not constitute an issue prospectus under art. 652a or art. 1156 of the Swiss Code of Obligations or a listing prospectus under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland and has been prepared without regard to the disclosure standards thereunder. Neither this announcement nor the CEOM, the CTOM or any other offering or marketing material relating to the Offers may be publicly distributed or otherwise made publicly available in Switzerland. Neither this announcement nor the CEOM, the CTOM or any other offering or marketing material relating to the Offers have been or will be filed with or approved by any Swiss regulatory authority. In particular, such documents will not be filed with, and the offer of Securities will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of Securities has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Securities.

General: This announcement, the CEOM, the CTOM and any other materials relating to the Offers are and will be for the personal use of authorised recipients only. Under no circumstances should any such documents or materials be reproduced or distributed to any other persons. Persons into whose possession any such documents or materials come are required to inform

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The Society is authorised by the PRA and regulated by the PRA and the FCA. Each of Evercore Partners International LLP, Lucid Issuer Services Limited and Equiniti Limited is regulated by the FCA. None of the Society, Evercore Partners International LLP, Lucid Issuer Services Limited and Equiniti Limited is acting or will act on behalf of holders of the PPDS and/or the PIBS, or prospective investors in the CCDS and/or Tier 2 Notes with respect to the LME, and none of them will regard any person (including any recipient or reader of this announcement, the CEOM or the CTOM or any holder of any the PPDS and/or the PIBS, or any actual or prospective investor in the CCDS and/or Tier 2 Notes) as its "client" in relation to the LME, and will not be responsible to any person for providing the sorts of protections afforded to persons who receive investment services or advice under the FSMA, MiFID II or any other regulatory regime in a capacity as a client.