

**TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)
(ASSUMING SINGLE POINT OF ENTRY BAIL-IN OF A LISTED BANK HOLDING COMPANY
OR A LISTED BANK WITHOUT A HOLDING COMPANY)**

IMPORTANT NOTE: This draft template instrument is intended to increase awareness and understanding of the actions that may take place in a bail-in resolution in the United Kingdom. In light of the fact that bail-in is a crisis management tool, the Bank of England (the Bank) must be able to retain the full discretion accorded to it under the Banking Act 2009 as to how to respond to the circumstances of a particular case. Any use of the Bank's bail-in powers will depend on the facts and circumstances of the particular case, and may be different from the actions and approach set out in this draft template instrument. Accordingly, this draft template instrument is not, and should not be regarded as, indicative of the Bank's settled view in relation to any aspect of bail-in or resolution generally, as indicative that any actual bail-in resolution instrument which may be required in connection with the resolution of a particular firm would be in this form or would contain provisions the same as or similar to any of the provisions herein or as specifying an exhaustive list of the powers that may be exercised or the provisions that may be included in any actual bail-in resolution instrument.

The [Name of Bank] plc Resolution Instrument 20[]¹

Made - - - - [date]

Coming into force - [date]

The PRA is satisfied that Condition 1 in Section 7 of the Banking Act is met and the Bank of England is satisfied that Conditions 2, 3 and 4 in section 7 of the Banking Act are met.

Accordingly, the Bank of England, having had regard to the special resolution objectives and the code of practice published by HM Treasury under section 5 of the Banking Act, in the exercise of the powers conferred by Sections 12A, 12AA, [15,] [17,] [18,] [19,] [20,] [21,] [23,] 48B to 48W, 48WA, 48Z, [62A to E] [and 81BA-BC, 81C and 81CA]] of that Act, makes this instrument.²

1 This Template Bail-in Resolution Instrument (Certificates of Entitlement) (referred to in these notes as the "Template Resolution Instrument") has been drafted on a hypothetical basis in relation to a firm (referred to in these notes as the firm or [Bank]) where the bail-in will be a single point of entry bail-in of a listed holding company or listed operating bank. In the case of a holding company, it is assumed that inter-company debt issued by the operating bank subsidiaries to the listed holding company will have been converted into share capital prior to resolution of the holding company taking place. It is also assumed that the bail-in will affect the shareholders, the holders of AT1 and Tier 2 regulatory capital instruments, the holders of preference shares if any, and the holders of secondary non-preferential (SNP) debt securities. This Template Resolution Instrument assumes the possibility of a bail-in of SNP debt securities in part. It is therefore necessary to comply with the provisions of S. 12AA of the Banking Act (sequence of write down and exchange of capital instruments and liabilities). Accordingly, for a write-down of SNP debt instruments in whole or in part to be possible it would be necessary for the Resolution Instrument to provide for the transfer, cancellation or dilution of all shares (CET1 instruments) (this Template Resolution Instrument provides for all ordinary shares in the firm to be transferred from the holders to a Depositary) and the reduction or conversion directly or indirectly into CET1 instruments of all AT1 and Tier 2 instruments including all preference shares (this Template Resolution Instrument provides for the reduction to zero and conversion to CEs of all AT1 and Tier 2 instruments and the cancellation and exchange for CEs of all preference shares). The entitlement of such CEs could be zero.

Explanations of individual provisions of this Template Resolution Instrument and of potential options for the way in which the bail-in could be structured are contained in the footnotes.

2 The powers on which the Bank of England (referred to in these notes as the "BoE") will rely for the relevant Resolution Instrument will be determined for the particular resolution. For example, the relevant powers will in part depend on whether the firm is a bank or the holding company of a bank and whether any other group companies are to be the subject of resolution powers. It should also be considered whether HM Treasury (referred to in these notes as "HMT") may wish to consider making an order under S. 74 of the Banking Act (regarding the tax consequences of the exercise of the BoE's powers, e.g. to disapply tax on income which may be treated as arising as a consequence of the write down of liabilities in bail-in) or S. 75 Banking Act (power to change the law for the purpose of

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Under Section 52A of the Banking Act, where the Bank of England has made a resolution instrument under Section 12A(2) of that Act, HM Treasury is required to make a bail-in compensation order under Section 49(2A) of the Banking Act to establish a scheme for determining whether any persons should be paid compensation.

PART 1

GENERAL

Citation and commencement

1. This Instrument may be cited as The [*Name of Bank*] plc Resolution Instrument [*Year*].
2. This Instrument comes into force at the Resolution Time.

Interpretation: general

3. In this Instrument:

“Additional Shares” has the meaning given in Paragraph [15];

“Allocation Expiration Date” means the day falling [] days after the Allocation Record Date;

[“Allocation FX Rate” means [the middle exchange rate on the London Foreign Exchange Market at the close of business [on the day on which foreign exchange markets were open in London immediately prior to the [Allocation Ratio Announcement Date]], as published for such date on [] [or, in absence of any such published rate, such rate as the [Bank of England] determines];³

“Allocation Period” means the period from and including the first day following the Allocation Record Date to but excluding the Allocation Expiration Date;

“Allocation Ratio Announcement Date” means [the date on which the Bank of England makes the Supplemental [Bank] Resolution Instrument announcing the Allocation Ratios];⁴

enabling the BoE’s powers to be used effectively having regard to the special resolution objectives). The transfer of the Shares to the Depository by the Resolution Instrument will not attract stamp duty or stamp duty reserve tax (SDRT) as a consequence of S. 49 Finance Act 2019 which inserted an exemption for transfers of marketable securities by a resolution instrument (S. 85A) in the Finance Act 1986. The BoE is entitled to recover its expenses reasonably incurred in connection with the exercise of a stabilisation option by directing [Bank] to pay a fee. It is likely that this fee would be dealt with outside the Resolution Instrument.

- 3 Whether the Resolution FX Rate used at the commencement of the resolution or a different exchange rate to should be used for any subsequent additional bail-in or any deferred bail-in of SNP Instruments denominated in a currency other than sterling or for converting any non-sterling amounts which have been received and added to Deposited Property during the resolution period will be considered at the relevant time.
- 4 The Allocation Ratio Announcement Date would be decided and the Supplemental [Bank] Resolution Instrument would be made following completion of the final equity valuation process (Valuation 3). The Template Instruments provide that the Supplemental

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“Allocation Record Date” means the first business day after the Allocation Ratio Announcement Date on which a CSD for which the Master CE Certificate is being held is open for business];

“Allocation Ratios” means the Class [A] Allocation Ratio, the Class [B] Allocation Ratio, the Class [C] Allocation Ratio [EITHER] [and the Class [D] Allocation Ratio] [OR] [, the Class [D] 1 Allocation Ratio and the Class [D] 2 Allocation Ratio];

“Appointment Agreements” means the Deposit Agreement, [the Custody Agreement,] and the Registrar Agreement;⁵

“AT1 Instruments” means the [perpetual subordinated] debt securities issued by [Bank] with ISIN numbers [];⁶

“[Bank]” means [*Name of Bank*] plc;

“Banking Act” means the Banking Act 2009 (as amended);

“[Bank] Onward Transfer Instrument” means a transfer instrument made by the Bank of England under Section 48V of the Banking Act to transfer some or all of the Shares [the SNP Instruments,] [the New Debt Instruments,] [any cash amount] and any other securities comprised in the Deposited Property from the Depository or its nominee to CE holders;⁷

[Bank] Resolution Instrument would be made on the Allocation Ratio Announcement Date, but this could be altered as required. Following the final equity valuation the BoE should be able to determine the full extent of the bail-in required and set the Allocation Ratios for each class of CE. Once this has been determined by the BoE, and the Allocation Record Date (the date on which a person must hold CEs to be entitled to claim), the Allocation Period would be determined automatically as a consequence of the definitions in this Template Resolution Instrument.

- 5 Whether a separate agreement dealing with custody functions in relation to CEs will be required or whether all relevant provisions can be included in a single Deposit Agreement will depend on the requirements of the institution which is selected as Depository. It is possible that separate group companies may be used by the relevant service provider. Although not dealt with in this Template Resolution Instrument, the BoE may decide to arrange for an adviser familiar with capital markets (the “Allocation Adviser”) to be appointed to manage the CE Programme on behalf of [Bank]. If such an Allocation Adviser was to be appointed, an agreement between [Bank], BoE and the Allocation Adviser would also be required.
- 6 If there are multiple classes of AT1 Instruments which are to be treated the same way in the bail-in, e.g. because they would rank *pari passu* in insolvency, it should be possible to create a single class of CEs with a single ISIN corresponding to all such classes of AT1 Instruments. If different classes of AT1 Instruments are to be treated differently in the bail-in there will need to be separate classes of CE each corresponding to the relevant class of AT1 Instruments and with a separate ISIN for each individual class of CE. This Template Resolution Instrument has been drafted on the assumption of a single class of Class [A] CEs corresponding to all classes of AT1 Instruments.
- 7 This Template Resolution Instrument provides for the Shares in [Bank] to be transferred by the instrument from the holders to the Depository and to be held by the Depository until transferred to the holders of CEs whose former capital or debt instruments have been subject to bail-in once their entitlements are determined. It is assumed that the subsequent transfer of Shares to CE Holders would be effected by way of an Onward Transfer Instrument made by the BoE under S.48V of the Banking Act. Such a transfer would not be subject to SDRT. The BoE would be required to consult the PRA, FCA and HM Treasury before making such an instrument. It is also proposed that the Onward Transfer Instrument be used to transfer other assets, if any, to which CE Holders are entitled, for example any cash, any SNP Instruments if there is a deferred bail-in (see below) and any New Debt Instruments if they are to be created as part of the recapitalisation of the firm (see also below).

Inclusion of the references to SNP Instruments and New Debt Instruments will depend on how the bail-in is structured. The reference to SNP Instruments in this definition would only be relevant in the case of a deferred bail-in. The reference to New Debt Instruments in this definition would only be relevant if New Debt Instruments were to be created as part of the process of recapitalising the firm and CEs of any class were to be exchanged in whole or in part for such New Debt Instruments. However, see final paragraph of this Footnote. If New Debt Instruments are not to be created, all references to New Debt Instruments in this Template Resolution

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“Business Day” means any day on which commercial banks are open for general business in London but excluding Saturday and Sunday and any day which is a bank holiday within the meaning of the Banking and Financial Dealings Act 1971;

“Cash Account” means a [non-interest earning] pounds sterling account maintained by the Depository for the benefit of CE holders into which cash amounts are paid in accordance with CE Conditions [3] or [4];⁸

“CE” means a certificate of entitlement in registered form issued by [Bank] representing an entitlement to Deposited Property as created by and determined in accordance with and subject

Instrument, the Template Supplemental Resolution Instrument and the Template Onward Transfer Instrument can be ignored and should be deleted.

If it is not possible to assess with an adequate level of confidence the full scale of any write down of SNP Instruments until the final equity valuation (Valuation 3) is obtained, two possible approaches to structuring the bail-in are as follows:

(1) **“subsequent additional bail-in” option:** the Resolution Instrument could provide for an immediate write down in part of the SNP Instruments with the option of a further write down of the SNP Instruments following the equity valuation. Such a further write-down is referred to in the notes to this Template Resolution Instrument as a subsequent additional bail-in. In such a case, when the subsequent additional bail-in occurs, additional CEs corresponding to the relevant SNP Instruments (in this Template Resolution Instrument Class [D] CEs) would need to be issued and credited to the CSD/ICSD accounts of the holders of the relevant SNP Instruments. If trading in SNP Instruments has been permitted, the holders of SNP Instruments at such time may be different from the holders of the SNP Instruments at the Resolution Time;

(2) **“deferred bail-in” option:** the Resolution Instrument could provide for a proposed bail-in of the SNP Instruments with the amount of the bail-in to be determined following completion of the equity valuation process (see S. 12A(2A) and (5) Banking Act). This is referred to in the notes to this Template Resolution Instrument as a deferred bail-in. In such a case the SNP Instruments to be bailed-in could be transferred to the Depository. The Depository would hold the SNP Instruments until completion of the equity valuation process following which they would be written down in whole or in part. If written down in part only, following write down they would be exchanged for the CEs which had been issued to the relevant former SNP Instrument holders together with any Shares into which the written down amount of the SNP Instruments would be converted. The transfer of such SNP Instruments to CE Holders could be effected by the [Bank] Onward Transfer Instrument. In a deferred bail-in, if more than one class of SNP Instruments exists, the CEs to be issued to the former holders of the SNP Instruments would need to be created as separate classes with each class (in this Template Resolution Instrument Class [D1] CEs and Class [D2] CEs) corresponding to a different class of SNP Instruments so that, in the event of a partial write down of SNP Instruments, the CE Holders would receive the correct class of partially written-down SNP Instrument on exchange of CEs following completion of the final equity valuation.

If it were considered appropriate (e.g. to communicate the quantum of the minimum write-down of SNP Instruments that would occur, assuming that this could be determined with sufficient confidence) it would be possible to combine elements of the different bail-in structures. At the Resolution Time there could be an immediate write-down of the SNP Instruments in such minimum amount, a transfer of the written down SNP Instruments to the Depository and the issue of CEs to the former holders of the SNP Instruments. Once the equity valuation was complete a subsequent additional write down of such SNP Instruments could occur pursuant to the Supplemental [Bank] Resolution Instrument which would be made at that time and which would also determine the quantum of Shares (and if relevant any New Debt Instruments) which the relevant CE Holders would receive.

It is likely that bailed-in securities would only be converted (via CEs) into CET1 instruments. Consequently the references to New Debt Instruments would only be relevant in the unlikely event that CEs were to be exchanged in whole or in part for new debt securities, possibly together with CET1 securities as part of the recapitalisation of the firm. References to New Debt Instruments have therefore been included in this Template Resolution Instrument as a placeholder in case the provisions were needed in a particular resolution. Only one class of New Debt Instruments has been provided for in this Template Resolution Instrument for the purpose of illustration. If New Debt Instruments were to be issued, this Template Resolution Instrument assumes for reasons of operational simplicity that they would be issued to the Depository and transferred by the Depository to the holders of the relevant class(es) of CEs (along with any other Deposited Property to which such holders are entitled) rather than issued directly to such CE Holders. However, it would be possible for New Debt Instruments to be credited directly to the accounts of the relevant CE Holders once such CE Holders were identified following submission of completed Statements of Beneficial Ownership if this was preferable. The issue of New Debt Instruments would only be possible in relation to the classes of CEs corresponding to the SNP Instruments as the AT1 Instruments and the Tier 2 Instruments must be converted to CET1 instruments. (S.12AA (1) (a) BA). If New Debt Instruments were to be created and they were to be listed, an application for listing would likely need to be made and listing particulars/a prospectus would need to be prepared by the firm and submitted for approval to the relevant stock exchange (see FCA Listing Rule 2.2.11R for UK listings). The approval of listing particulars/a prospectus is an iterative process requiring submission of drafts to the FCA for comment. If New Debt Instruments were to be issued consideration would need to be given as to whether they should be deposited with a UK CSD only, in which case the UK National Numbering Agency would allocate the ISIN or with an ICSD, in which case the ISIN allocation would fall to a non-UK National Numbering Agency and an XS ISIN issued.

⁸ A Cash Account has been included to cover the possibility (albeit unlikely) of a cash distribution or interest or principal payment being made in respect of the Shares or any debt instruments transferred to and held by the Depository during the bail-in.

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to this Instrument and any Supplemental [Bank] Resolution Instrument, and “CEs” shall be construed accordingly;⁹

“CE Conditions” means the terms and conditions of the CEs which are set out in Schedule [3] to this Instrument;

“CE Holder” means a person to whose account an interest in a CE is credited in the books of a CSD or if Definitive CE Certificates are issued, a person registered in the Register as a holder of CEs ;¹⁰

“CE Programme” means the certificates of entitlement programme of [Bank] established by this Instrument and governed by the CE Conditions;

“Class [A] CE” means a CE representing an entitlement to such proportion of Class [A] Deposited Property as is determined in accordance with and subject to this Instrument and “Class [A] CEs” shall be construed accordingly;¹¹

“Class [A] Deposited Property” means the Shares and any other Deposited Share Property;

“Class [A] Entitlement” means the fractional amount of Class [A] Deposited Property to which each Class [A] CE is entitled as determined in accordance with Paragraph [43] of this Instrument and specified in the relevant Onward Transfer Request;

“Class [A] Allocation Ratio” means the fractional number determined by the Bank of England following the Valuation Date and to be used by the Bank of England for the purpose of calculating the Class [A] Entitlement in accordance with Paragraph [43] of this Instrument;

“Class [B] CE” means a CE representing an entitlement to such proportion of Class [B] Deposited Property as is determined in accordance with and subject to this Instrument and “Class [B] CEs” shall be construed accordingly;

“Class [B] Deposited Property” means the Shares and any other Deposited Share Property;

9 A CE is an instrument within the meaning of S. 14 (4) Banking Act into which bailed-in securities can be converted directly or indirectly under S. 12AA.

10 CEs will not be issued in certificated form and interests in CEs will need to be held through accounts with a recognised securities clearing system. It will be necessary to decide which central securities depository (CSD) will be the issuer CSD for the CEs and which CSDs will reflect holdings of CEs through any linked account which they maintain with the issuer CSD. The most likely CSDs are CREST operated by EUI, Euroclear and Clearstream. Euroclear and Clearstream are referred to as ICSDs. Note: the CE Holder is not the same as the registered Holder of the Master CE Certificate who will be a nominee for the Depository (most likely the Custodian who may also be the common depository/safekeeper for the relevant clearing system),

11 The number of classes of CE and the bailed-in securities to which they correspond will depend on the capital structure of [Bank] and how the bail-in is structured. In this Template Resolution Instrument four classes of CE (A, B, C and D) corresponding respectively to all AT1 Instruments, all Tier 2 Instruments, all Preference Shares and all SNP Instruments of the hypothetical firm ([Bank]) have been included for the purpose of illustration. In an actual bail-in resolution, the number of different classes of CE will be case specific. If separate classes of CEs were necessary for different classes of AT1 Instruments, Tier 2 Instruments, Preference Shares or SNP Instruments for any reason, additional classes, definitions and corresponding modifications to this Template Resolution Instrument would be necessary. If there is a deferred bail-in and there is more than one class of SNP Instruments, additional classes of CEs corresponding to the different classes of SNP Instrument would be necessary – e.g. D1, D2 etc. – in order to ensure the “return” of the same class of SNP Instruments (following write down) which the original holder held immediately prior to the Resolution Time. In this Template Resolution Instrument definitions referring to Class [D1] CEs and Class [D2] CEs and related terms have been included for the purpose of illustrating how a deferred bail-in might work if there were more than one class of SNP Instruments.

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“Class [B] Entitlement” means the fractional amount of Class [B] Deposited Property to which each Class [B] CE is entitled as determined in accordance with Paragraph [45] of this Instrument and specified in the relevant Onward Transfer Request ;

“Class [B] Allocation Ratio” means the fractional number determined by the Bank of England following the Valuation Date and to be used by the Bank of England for the purpose of calculating the Class [B] Entitlement in accordance with Paragraph [45] of this Instrument;

“Class [C] CE” means a CE representing an entitlement to such proportion of Class [C] Deposited Property as is determined in accordance with and subject to this Instrument and “Class [C] CEs” shall be construed accordingly;

“Class [C] Deposited Property” means the Shares and any other Deposited Share Property;

“Class [C] Entitlement” means the fractional amount of Class [C] Deposited Property to which each Class [C] CE is entitled as determined in accordance with Paragraph [47] of this Instrument and specified in the relevant Onward Transfer Request;

“Class [C] Allocation Ratio” means the fractional number determined by the Bank of England following the Valuation Date and to be used by the Bank of England for the purpose of calculating the Class [C] Entitlement in accordance with Paragraph [47] of this Instrument;

[“Class [D] CE” means a CE representing an entitlement to such proportion of Class [D] Deposited Property as is determined in accordance with and subject to this Instrument and “Class [D] CEs” shall be construed accordingly;]

[“Class [D] Deposited Property” means the Shares and any other Deposited Share Property;]

[“Class [D] Entitlement” means the fractional amount of Class [D] Deposited Property [and the fractional principal amount of New Debt Instruments]¹² to which each Class [D] CE is entitled as determined in accordance with Paragraph [49] of this Instrument and specified in the relevant Onward Transfer Request ;]

[“Class [D] Allocation Ratio” means the fractional number determined by the Bank of England following the Valuation Date and to be used by the Bank of England for the purpose of calculating the Class [D] Entitlement in accordance with Paragraph [49] of this Instrument;]

12 Whilst it is unlikely that New Debt Instruments would be created (see Footnote [7]), references to such instruments have been included so that the point can be considered if it were to become relevant. References should be deleted if not relevant. In this Template Resolution Instrument only one class of New Debt Instruments has been provided for the purpose of illustration. If different classes were to be issued (e.g. having different regulatory capital status) additional definitions would be needed. If New Debt Instruments were created they could be issued directly to CE Holders or issued to the Depositary and transferred by the Depositary together with the other Deposited Property to which the relevant CE Holders become entitled. The latter process has been assumed for the purpose of this Template Resolution Instrument, the Template Supplemental Instrument and the Template Onward Transfer Instrument.

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["Class [D1] CE" means a CE representing an entitlement to such proportion of Class [D1] Deposited Property as is determined in accordance with and subject to this Instrument and "Class [D1] CEs" shall be construed accordingly;]¹³

["Class [D1] Deposited Instrument Property" means the [xxxx] SNP Instruments and all and any other securities, property and cash received by or on behalf of the Depository or its agents and attributable to the [xxxx] SNP Instruments;]¹⁴

["Class [D1] Deposited Property" means the Shares, any other Deposited Share Property and [the Class [D1] Deposited Instrument Property];]¹⁵

["Class [D1] Entitlement" means the fractional amount of Class [D1] Deposited Property [and the fractional principal amount of New Debt Instruments] to which each Class [D1] CE is entitled as determined in accordance with Paragraph [49A] of this Instrument and specified in the relevant Onward Transfer Request ;]

["Class [D1] Allocation Ratio" means the fractional number determined by the Bank of England following the Valuation Date and to be used by the Bank of England for the purpose of calculating the Class [D1] Entitlement in accordance with Paragraph [49A] of this Instrument;]

["Class [D2] CE" means a CE representing an entitlement to such proportion of Class [D2] Deposited Property as is determined in accordance with and subject to this Instrument and "Class [D2] CEs" shall be construed accordingly;]

["Class [D2] Deposited Instrument Property" means the [yyyy] SNP Instruments and all and any other securities, property and cash received by or on behalf of the Depository or its agents and attributable to the [yyyy] SNP Instruments;]

["Class [D2] Deposited Property" means the Shares, any other Deposited Share Property and [the Class [D2] Deposited Instrument Property];]

["Class [D2] Entitlement" means the fractional amount of Class [D2] Deposited Property [and the fractional principal amount of New Debt Instruments] to which each Class [D2] CE is entitled as determined in accordance with Paragraph [49B] of this Instrument and specified in the relevant Onward Transfer Request ;]

13 This definition, the other Class [D1] related definitions and the equivalent Class [D2] related definitions are only relevant if there is a deferred bail-in of SNP Instruments and there is more than one class of SNP Instruments which are to be transferred to the Depository during the bail-in period. See also Footnotes [7] and [9].

14 For illustrative purposes it has been assumed in this Template Resolution Instrument that there are two classes of SNP Instruments (the [xxxx] SNP Instruments and the [yyyy] SNP Instruments) and therefore that on a deferred bail-in two classes of CEs related to the SNP Instruments would be created, the Class [D1] CEs and the Class [D2] CEs, respectively. The reference to Deposited Instrument Property is only relevant if the SNP Instruments are to be the subject of deferred bail-in. In such case it is proposed that the SNP Instruments would be transferred to the Depository to be held by the Depository during the bail-in period and, assuming they are not written down in full, transferred to the holders of the Class [D1] CEs (or Class [D2] CEs, as applicable) following the partial write down of such SNP Instruments and their partial exchange for shares in [Bank]. See also Footnotes [7], [9] and [18].

15 The reference to Deposited Instrument Property is only relevant if the SNP Instruments are to be the subject of deferred bail-in. See also Footnote [7].

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["Class [D2] Allocation Ratio" means the fractional number determined by the Bank of England following the Valuation Date and to be used by the Bank of England for the purpose of calculating the Class [D2] Entitlement in accordance with Paragraph [49B] of this Instrument;]

"Clearstream" means Clearstream Banking S.A., and any successor thereto;

"common depository/safekeeper" means, in relation to any AT1 Instruments, Tier 2 Instruments, SNP Instruments, [New Debt Instruments] and CEs, the person acting as the common depository or common safekeeper, as the case may be, for [CREST,] the ICSDs, or other relevant clearing system of the global instrument or master certificate in respect of such class of securities;

"Companies Act" means the Companies Act 2006 (as amended);

"controller" has the meaning given to such term in Section 422 of FSMA;

"CREST" means the central securities depository and electronic settlement system for UK securities operated by EUI;

"CSD" means, in relation to any Shares, AT1 Instruments, Tier 2 Instruments, Preference Shares, SNP Instruments, [New Debt Instruments] and the CEs, the person acting as central securities depository for those instruments, including (without limitation and to the extent appropriate in relation to any instrument) EUI, CREST, the ICSDs and DTC;

["Custodian" means [] and any other person appointed as custodian to hold the Shares [and SNP Instruments] on behalf of the Depository in connection with the CE Programme from time to time;]¹⁶

["Custody Agreement" means []];

"data controller" means controller (as that term is defined in the UK GDPR as supplemented by the Data Protection Act 2018);

"default event provision" has the meaning contained in Section 48Z(1) of the Banking Act;

"Definitive CE Certificates" means individual CE certificates in registered form substantially in the form contained in Schedule [] to the Deposit Agreement;

"Deposit Agreement" means the agreement [dated []] between [Bank], [] as Depository, [Registrar] [and Custodian], [the Resolution Administrator] and the Bank of England relating to the Shares [and SNP Instruments] transferred to the Depository by this Instrument;

¹⁶ It will be necessary to consider whether a separate Custody Agreement is necessary or whether the custody aspects can be dealt with in the Deposit Agreement. This may depend on the Depository/Custodian which is selected. Reference to the SNP Instruments is only relevant if there is a deferred bail-in and the SNP Instruments are to be transferred to the Depository and a Custodian is to be used by the Depository to hold the SNP Instruments.

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“Depository” means [] and any other person appointed from time to time to receive the Shares and to act in connection with the CE Programme;¹⁷

[“Deposited Instrument Property” means the Class [D1] Deposited Instrument Property and the Class [D2] Deposited Instrument Property]¹⁸

“Deposited Property” means and includes the Deposited Share Property [and the Deposited Instrument Property];

“Deposited Shares” means the Shares and all and any Additional Shares transferred, issued or allotted to the Depository [or to the Custodian on behalf of the Depository];

“Deposited Share Property” means and includes the Deposited Shares and all and any other securities, property and cash received by the Depository, [the Custodian] or their respective agents and attributable to the Deposited Shares;

“DTC” means the Depository Trust Company and any successor thereto;

“EUI” means Euroclear UK & Ireland Limited and any successor thereto;

“Euroclear” means Euroclear Bank SA/NV, and any successor thereto;

“Existing Debt Instruments” means [the AT1 Instruments], [the Tier 2 Instruments] and [the SNP Instruments];

“FCA” means the Financial Conduct Authority;

“FSMA” means the Financial Services and Markets Act 2000 (as amended);

“ICSD” means Euroclear or Clearstream, or both, as the context may require;

“Insolvency Act” means the Insolvency Act 1986 (as amended);

“Master CE Certificate” means a global certificate of entitlement in registered form [substantially] in the form of the Annex to the CE Conditions;

“Multiple Class Holder” has the meaning given in Paragraph [56] of this Instrument;

[“New Debt Instruments” means the sterling [perpetual] subordinated [bonds] [notes] to be issued by [Bank] on or before the [first] Onward Transfer Date having terms and conditions

¹⁷ The Depository function may be carried out by the BoE or a person appointed by the BoE to act on its behalf.

¹⁸ This definition is relevant only if there is a deferred bail-in of the SNP Instruments. See Footnotes [7], [11] and [14].

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substantially in the form set out in Schedule [4] and terms as to interest rate, early call dates and maturity date (if applicable) set out in the Supplemental [Bank] Resolution Instrument;]¹⁹

["New Debt Instruments Agency Agreement" means [the agency agreement in respect of the New Debt Instruments to be entered into on or before the [first] Onward Transfer Date by [Bank] and [] and [] as the paying agent[s] [and [] as the registrar];]

["New Debt Instruments Trust Deed" means the trust deed in respect of the New Debt Instruments to be entered into on or before the [first] Onward Transfer Date by [Bank] and [] as the trustee;]

"Onward Transfer Date" means the date specified in a [Bank] Onward Transfer Instrument on which Deposited Property the subject of such Onward Transfer Instrument is to be transferred to the relevant CE Holders;

"Onward Transfer Request" means a request by the [Depository] to the Bank of England substantially in the form of Schedule [] to the Deposit Agreement for the making of a [Bank] Onward Transfer Instrument to transfer the relevant Deposited Property to the relevant CE Holders;

["original minimum denomination" means, in respect of any Existing Debt Instrument, the minimum denomination for such Existing Debt Instrument immediately before the Resolution Time;]²⁰

"PRA" means the Prudential Regulation Authority;

["Preference Shares" means the preference shares issued by [Bank] with ISIN numbers [];]²¹

19 Although it is unlikely that new debt capital securities would be created in connection with a resolution (see Footnote [7]), placeholder provisions relating to New Debt Instruments have been included in this Template Resolution Instrument as a prompt in case a decision should be taken in a particular case to include new debt capital securities as part of the recapitalisation of the firm in resolution. If New Debt Instruments are not to be created and allocated to CE Holders this definition and the related definitions for New Debt Instruments should be deleted. If New Debt capital Instruments are to be created, such instruments could be structured as Tier 1 and/or Tier 2 instruments, as required, to achieve a particular recapitalisation profile for the firm following the exercise of the bail-in power. It may not be known at the time the Resolution Instrument is made what characteristics and quantum of New Debt Instruments would be needed once the final equity valuation (Valuation 3) is concluded. Therefore the Resolution Instrument contains the terms and conditions on which they would be issued but the determination of the commercial terms such as quantum, interest rate, maturity and other commercial features and the entry into the documents is assumed to take place at or around the Allocation Ratio Announcement Date. In this Template Supplemental Instrument only one class of New Debt Instruments has been provided for the purpose of illustration. If multiple classes of New Debt Instruments were to be created additional definitions would be required. All classes of New Debt Instrument could be created using the same Trust Deed and Agency Agreement. If any New Debt Instruments are to be listed an application for listing would need to be made and listing particulars/a prospectus prepared. Reference to the first Onward Transfer Date has been included in case more than one [Bank] Onward Transfer Instrument is made.

20 If there is a partial write down of SNP Instruments it may be necessary to change the minimum denomination in which the SNP Instruments can be held to avoid significant rounding problems in calculating individual entitlements.

21 Under UK capital requirements regulations (the remaining relevant provisions of the UK version of EU Capital Requirements Regulation 575/2013 as restated in the PRA Rulebook), preference shares are not fully eligible as AT1 (as they do not convert to CET1). AT1 instruments (e.g. in the form of contingent convertible bonds ("CoCos")) issued by the UK banks are generally expressed to rank at the same level as preference shares in an insolvency. This reflects the general expectation for both preference shares and CoCos to rank senior to ordinary shares, but junior to all subordinated debt. However, in a resolution the ranking of the preference shares on an insolvency and not only their regulatory capital treatment is relevant. For preference shares this would be likely to be ahead of the ordinary shares but below all classes of subordinated debt. If the holders of preference shares are to be potentially entitled to receive ordinary shares in the resolution, it will be necessary for such holders to be issued with CEs. However, it is possible that the entitlement of such class of CEs could be nil. This Template Resolution Instrument provides for the purpose of illustration for the

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

“Register” has the meaning given to such term in Condition [1.2];

[“Registrar” means [] and any other person appointed as registrar of the CEs in connection with the CE Programme from time to time;]²²

[“Registrar Agreement” means [];]

“relevant securities” has the meaning given in Paragraph [10(c)];

“Resolution Administrator” means [] or any other person appointed by the Bank of England as a Resolution Administrator;

“Resolution Administrator Appointment Agreement” means the agreement between the Bank of England and the Resolution Administrator dated [] relating to the appointment of the Resolution Administrator;

“Resolution FX Rate” means [the middle exchange rate on the London Foreign Exchange Market at the close of business [on the day on which foreign exchange markets were open in London immediately prior to the day on which the Resolution Time occurs], as published for such date on [] [or, in absence of any such published rate, such rate as the [Bank of England] determines];²³

“Resolution Time” is [] [a.m.] [p.m.] on [date];

“Sale Event” means: [(a) the occurrence of the Allocation Expiration Date; [or (b) a takeover offer is made in respect of [Bank] and accepted by holders of more than 50 per cent. of the Shares at the time of the offer but excluding Shares held by the Depositary²⁴;] [or (c) a scheme of arrangement under Sections 895 to 899 of the Companies Act is approved by the holders of the requisite majorities of Shares at the time of the scheme (but excluding Shares held by the

Preference Shares to be cancelled and the Class [C] CEs issued in exchange. If there are multiple classes of preference shares which are to be treated the same way in bail-in, e.g. because they would rank *pari passu* in insolvency, it should be possible to create a single class of CEs for all such preference shares. In this Template Resolution Instrument the Class [C] CEs correspond to all classes of Preference Shares in the firm. If the holders of Preference Shares are not to receive CEs, this Template Resolution Instrument should simply provide for them to be cancelled and all references to their exchange for, and to the corresponding class of, CEs should be deleted. If the firm does not have preference shares this definition and all references in this Template Resolution Instrument to Preference Shares should be deleted.

- 22 The Depositary may wish to use a separate entity (possibly another company in the same group as the Depositary) to maintain the Register of Holders of CEs.
- 23 This definition is one possible approach to dealing with non-sterling liabilities and an exchange rate which could be used in that context and has been included for the purpose of illustration only. Other approaches are possible. It is modelled on the definition of the official exchange rate in Rule 14.21 of the Insolvency (England and Wales) Rules 2016/1024 (debts in foreign currency) for use in a Bank Insolvency Procedure. Rule 14.21 provides that all debts incurred or payable in a currency other than sterling must be converted into sterling at a single rate for each currency determined by the office holder by reference to the exchange rates prevailing at the relevant date. This rate would be used to convert into sterling any securities the subject of bail-in which are denominated in a currency other than sterling. The Resolution FX Rate to be used in respect of SNP Instruments denominated in a currency other than sterling or for converting any non-sterling amounts which have been received and added to Deposited Property during the resolution period will be considered at the relevant time.
- 24 The language in sub-clauses (b) and (c) of this definition is only relevant if it is considered appropriate to address takeover risk, for example if there is short time window in which a takeover offer could be made when some Shares are still held by the Depositary but voting rights are no longer controlled by the Resolution Administrator, which might be the period following the end of the Allocation Period after an Onward Transfer Instrument has been made and the bulk (i.e. more than 50% per cent.) of the Shares have been transferred to CE Holders and prior to the date Shares which remain held by the Depositary are sold under CE Condition [3.2.]. Whether this point needs to be addressed would be assessed in the circumstances of the case.

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“Tier 2 Instruments” mean the [subordinated debt] securities issued by [Bank] with ISIN number[s] [],²⁶

“Uncertificated Securities Regulations” means the Uncertificated Securities Regulations 2001 as amended including by the Uncertificated Securities (Amendment and EU Exit) Regulations 2019,²⁷

“UK GDPR” has the meaning given to it by Section 3(10) (as supplemented by Section 205(4)) of the Data Protection Act 2018;

“Valuation Date” means the date on which the valuation of the assets and liabilities of [Bank] conducted under Section 6E or Section 48X of the Banking Act by an independent valuer appointed by the Bank of England in accordance with the Banking Act is delivered to the Bank of England]; and

“Voting Rights Transfer Date” means the business day following the day on which more than 50 per cent. of the Shares have been transferred to the holders of CEs.

Definitions used in this Instrument which are not otherwise defined shall have the meaning given to them by the Banking Act.

PART 2

SHARE TRANSFER AND BAIL-IN PROVISIONS

Share transfer and dematerialisation

4. By this Instrument the Shares are transferred to [the Depository].²⁸ The Depository shall hold the Shares on trust for the benefit of the [Resolution Administrator and the] CE holders subject to the terms of the Deposit Agreement and the CE Programme.
5. By this Instrument all Shares not in uncertificated form at the Resolution Time are converted into uncertificated form for the purposes of regulation 33 of the Uncertificated Securities Regulations. This Instrument shall be treated as satisfying all formalities required by the Uncertificated Securities

26 If there are multiple classes of Tier 2 Instruments which are to be treated the same way in bail-in, e.g. because they would rank *pari passu* in insolvency, it should be possible to create a single class of CEs for all such Tier 2 Instruments. If different classes of Tier 2 Instruments are to be treated differently in the bail-in there will need to be separate classes of CE corresponding to the relevant class of Tier 2 Instruments with a separate ISIN for each individual class of CE. In this Template Resolution Instrument the Class [B] CEs correspond to all classes of Tier 2 Instruments.

27 Shares in the firm may already be in uncertificated form in whole or in part in CREST. It is anticipated that they would remain so if transferred to a single shareholder (the Depository). It will be necessary to agree the arrangements to be made for conversion of certificated Shares into uncertificated form in CREST with EUI in advance of the making of the Resolution Instrument so that the necessary entries can be made in the CREST operating system in time upon it reopening after the Resolution Time.

28 The Depository may nominate a Custodian to hold the Shares on its behalf. These arrangements would be dealt with in the Deposit Agreement between the Depository, [Bank] and the BoE.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Regulations. All share certificates in respect of Shares which were not in uncertificated form at the Resolution Time shall cease to be valid for all purposes.

6. [EUI shall do all things necessary or desirable to secure the admission of all Shares to the CREST system (including taking such action as is described in Schedule [] to this Instrument).]
7. The Share Transfer effected by Paragraph 4 and the dematerialisation effected by Paragraph 5 take place at the Resolution Time.
8. [Other than as expressly provided in this Instrument,] the Share Transfer effected by Paragraph 4 vests title in the Depository:²⁹
 - (a) free from all trusts, liabilities, claims and other encumbrances; and
 - (b) together with all rights, benefits and privileges which attach or accrue to or arise from or in respect of the Shares.

Extinguishment of rights to acquire Shares

9. By this Instrument all rights of any holder or beneficial owner of the Shares at any time prior to the Resolution Time to or in respect of the Shares and all rights of any person to receive any relevant securities, whether by issue, allotment, subscription, exchange or otherwise, are extinguished.
10. For the purposes of Paragraph 9:
 - (a) a right includes a right or entitlement by any name, including a contingent or future right or entitlement;
 - (b) it does not matter if the right was granted by [Bank] or any other person; and
 - (c) “relevant securities” means ordinary shares, preference shares, other Class 1 securities (within the meaning of Section 14(2) of the Banking Act) or any other securities of [Bank] or any securities convertible into, exchangeable for or otherwise giving any right to subscribe for or acquire ordinary shares, preference shares, other Class 1 securities or any other securities of [Bank].
11. The extinguishing of rights by Paragraph 9 takes place with effect from the Resolution Time.

Registration of Shares and issue of Share certificate

12. The Depository is entitled with effect from the Resolution Time to be entered in the register of members of [Bank] as the holder of the Shares transferred by virtue of this Instrument without the need for delivery of any instrument or transfer or other instrument or document and notwithstanding:

²⁹ The reference to “Other than as expressly provided in this Instrument” is to address the point that voting rights in respect of the Shares may be vested in the Resolution Administrator as provided under Paragraph [62] of this Template Resolution Instrument.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

- (a) the absence of any required consent or concurrence to or with the transfer; or
 - (b) any other restriction relating to the transfer.
13. [Bank] shall procure that [Bank's] Share Registrar shall forthwith after the Resolution Time and for so long as Shares are held in CREST be maintained in accordance with the Uncertificated Securities Regulations.
14. From the Resolution Time and until the Depository [or the Custodian as its nominee] is entered in [Bank's] register of members:
- (a) the Depository is deemed for all purposes (including for the purposes of the Companies Act) to be the sole member of [Bank];
 - (b) [subject to the power of the [Resolution Administrator] to exercise all voting rights in respect of the Shares as provided in Paragraph [62] of this Instrument,] the Depository is entitled from the Resolution Time to all the rights and advantages of a member of [Bank] to the exclusion of all other persons, notwithstanding that it is not entered in [Bank's] register of members;
 - (c) [subject to the power of the [Resolution Administrator] to exercise all voting rights in respect of the Shares as provided in Paragraph [62] of this Instrument,] no other person may exercise or purport to exercise in respect of [Bank] any right deriving from any Shares in [Bank];
15. If at any time while any CEs are in issue and any Shares are held by or on behalf of the Depository [Bank] issues further ordinary shares in respect of those Shares, whether by way of bonus issue, scrip dividend or otherwise ("Additional Shares"), such Additional Shares shall be issued and allotted to the Depository or its nominee or as may otherwise be directed by [the Resolution Administrator] or the Bank of England.

Creation of CEs and establishment of CE Programme

16. By this Instrument [] Class [A] CEs, [] Class [B] CEs,³⁰ [] Class [C] CEs³¹ and [EITHER] [] Class [D] CEs [OR] [] Class [D1] CEs and [] Class [D2] CEs³² are created.

30 Assuming that it is not necessary to create separate classes of CEs corresponding to different classes of AT1 Instruments or Tier 2 Instruments (see Footnotes [7] and [11]) the number of Class [A] CEs or Class [B] CEs, as the case may be, will correspond to the aggregate principal amount outstanding at the Resolution Time in sterling of all classes of AT1 Instruments or all classes of Tier 2 Instruments, as applicable, with any non-sterling amounts converted to sterling at the applicable Resolution FX Rate and with the aggregate sterling principal amount outstanding of each class of AT1 Instruments or each class of Tier 2 Instruments, as applicable, rounded down to the nearest £[] with one Class [A] CE or one Class[B] CE, as the case may be, being issued per £[1] of such sterling or sterling equivalent aggregate principal amount outstanding. See Footnote [25] in relation to one possible approach to the definition of Resolution FX Rate and the related footnote for one possible approach.

31 Assuming that it is not necessary to create separate classes of CEs corresponding to different classes of Preference Shares (see Footnotes [7] and [11]) the number of Class [C] CEs will correspond to the aggregate nominal amount at the Resolution Time in sterling of all classes of Preference Shares with any non-sterling amounts converted to sterling at the applicable Resolution FX Rate and with the aggregate sterling nominal amount of each class of Preference Shares rounded down to the nearest £[] with one Class [C] CE being issued per £[1] of such sterling or sterling equivalent aggregate nominal amount. See definition of Footnote [25] in relation to the Resolution FX Rate and the related footnote for one possible approach

32 The first or second option depends on whether an immediate or a deferred bail-in of SNP Instruments and the number of classes of SNP Instruments issued by [Bank] is proposed.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

17. The Class [A] CEs are created by converting the AT1 Instruments in their entirety into CEs in accordance with Paragraph [29] of this Instrument.
18. The Class [B] CEs are created by converting the Tier 2 Instruments in their entirety into CEs in accordance with Paragraph [30] of this Instrument.
19. The Class [C] CEs are created by converting the Preference Shares in their entirety into CEs in accordance with Paragraph [31] of this Instrument.
20. *[EITHER]*

[The Class [D] CEs are created by converting the SNP Instruments in part into CEs in accordance with Paragraph [33] of this Instrument.]³³

[OR]

[The Class [D1] CEs and the Class [D2] CEs are created in exchange for the SNP Instruments in their entirety in accordance with Paragraph [33] of this Instrument.]³⁴

21. The CEs are securities of [Bank] and are and shall for all purposes be treated as obligations of [Bank] only. All rights and liabilities in respect of the CEs are derived from this Instrument and the CE Conditions. All CE Holders are required by this Instrument to comply with the restrictions contained in the CE Conditions on selling, offering, transferring or otherwise making available CEs

The first option (one class of Class [D] CEs only) corresponding to the only class of SNP Instruments or all classes of SNP Instruments is applicable if there is an immediate bail-in of SNP Instruments (including where there will or may be a subsequent additional bail-in) and either there is only one class of SNP Instruments or, if there is more than one class of SNP Instruments, all classes of SNP Instruments are to be treated the same way.

The second option (multiple classes of Class [D] CEs (Class [D1], Class [D2] CEs etc.)) corresponding to the different classes of SNP Instruments is applicable if there are multiple classes of SNP Instruments and there is to be a deferred bail-in of SNP Instruments. (See Footnotes [7] and [11].) Multiple classes of Class [D] CEs would also be necessary on an immediate bail-in if there were multiple classes of SNP Instruments and they were to be treated differently. This latter possibility is not covered in this draft Template Resolution Instrument.

In the first option, in relation to the calculation of the number of Class [D] CEs, the draft Template Resolution Instrument assumes a write down in part of the SNP Instruments. In this case the number of Class [D] CEs will correspond to the sterling aggregate principal amount outstanding which is to be written down in respect of all classes of SNP Instruments with any non-sterling amounts being converted to sterling at the applicable Resolution FX Rate and with the aggregate sterling principal amount outstanding of each class of SNP Instruments rounded down to the nearest £[] with one Class [D] CE being issued per £[1] of such aggregate sterling written down amount. See definition of Resolution FX Rate and related footnote in relation to one possible approach to the Resolution FX Rate. If there were to be a write down in full of the SNP Instruments at the commencement of resolution drafting amendments would be needed.

In the second option, in relation to the calculation of the number of CEs, the draft Template Resolution Instrument assumes a deferred bail-in of the SNP Instruments (i.e. no immediate write down and all SNP Instruments being transferred to the Depositary). In this case the number of CEs for each class will correspond to the sterling aggregate principal amount outstanding of the corresponding class of SNP Instruments with any non-sterling amounts converted to sterling at the applicable Resolution FX Rate and with the aggregate sterling principal amount outstanding of each class of SNP Instruments rounded down to the nearest £[] with one CE of the relevant class being issued per £[1] of such aggregate sterling amount outstanding. See definition of Resolution FX Rate and related footnote Footnote [31] in relation to one possible approach to the Resolution FX Rate.

- 33 This option assumes an immediate partial bail-in of the SNP Instruments. If a subsequent additional bail-in were a possibility this would need to be effected by the Supplemental [Bank] Resolution Instrument which would be made after the final equity valuation (Valuation 3) had been completed and the extent of any subsequent additional bail-in could be quantified.
- 34 This option is applicable to a deferred bail-in where the extent of the proposed write-down of the SNP Instruments cannot be quantified with a sufficient level of confidence and the SNP Instruments are to be transferred to the Depositary during the bail-in period. The amount of the write-down and exchange would be specified in the Supplemental [Bank] Resolution Instrument made after the final equity valuation (Valuation 3) had been completed.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

of any class to any person. [Failure to comply with such restrictions may result in the loss of any entitlement to Deposited Property.] [Bank] shall do all things as may be required by the Bank of England or as may otherwise be necessary or desirable in connection with the issue of the CEs and the CE Programme.

22. The CEs of each class are represented by a Master CE Certificate evidencing the CEs of that class. Each Master CE Certificate [has been] issued and executed by [Bank], authenticated by the Registrar or its agent and will be registered by the Registrar in the Register in the name of the Depository or its nominee as holder as soon as practicable following the Resolution Time.³⁵
23. Upon any exchange of the Master CE Certificate for Deposited Property or any reduction in the number of CEs following any exchange of CEs for Deposited Property, in each case pursuant to the CE Conditions, the relevant details shall be entered on the Register, whereupon the number of CEs represented by the Master CE Certificate shall be reduced for all purposes by the number of CEs so exchanged or reduced, as the case may be, and entered on the Register.
24. The creation of CEs by virtue of Paragraph [16] takes effect at the Resolution Time.
25. If the Master CE Certificate in respect of any class of CEs is required to be exchanged for Definitive CE Certificates of the relevant class upon the occurrence of any of the limited circumstances in CE Condition [1.4], Definitive CE Certificates of the relevant class representing in aggregate the number of CEs represented by the Master CE Certificate in respect of such class of CEs will be issued by [Bank] within [] Business Days of the delivery by or on behalf of the common depository/safekeeper for EUI as operator of CREST Euroclear and Clearstream [and by on behalf of DTC] [or the holder of the Master CE Certificate if different] to the Registrar of such information as is required to complete and deliver Definitive CE Certificates.
26. The exchange of Definitive CE Certificates of the relevant class for the Master CE Certificate in respect of such class of CEs will be effected by the [Registrar] in accordance with the relevant Master CE Certificate, the Registrar Agreement and the Deposit Agreement. [Definitive CE Certificates will not be eligible for clearing and settlement through [CREST] [the ICSDs] [DTC].]³⁶

³⁷

[New Debt Instruments]³⁸

27. The New Debt Instruments will be issued by [Bank] [on or before] the [first] Onward Transfer Date in accordance with the provisions of this Instrument and the Supplemental [Bank] Resolution

³⁵ It is envisaged that each Master CE Certificate would be executed by [Bank] and authenticated by the Registrar or its agent at or before the Resolution Time. This could be done over the resolution weekend prior to the making of the Resolution Instrument with the Master CE Certificate coming into effect at the Resolution Time. The Depository or its nominee will be registered as the Holder of the CEs.

³⁶ Eligibility for clearing and settlement of Definitive CE certificates to be determined following determination of which CSD/ICSD will be used for CE issuance.

³⁷ Certification that a CE Holder is a permitted holder would be required to comply with US securities laws in connection with the exchange of the Master CE Certificate for Definitive CE Certificates. Language has been included in the form of Master CE Certificate. It is likely that CE Holders who could not give the necessary certifications would need to sell prior to the exchange.

³⁸ This Paragraph and other provisions relating to New Debt Instruments are to be included only if New Debt Instruments are to be created and allocated to holders of CEs. See Footnotes [7] and [12]. If New Debt Instruments are not to be created as part of the recapitalisation of the firm, all such references and provisions should be deleted.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Instrument.³⁹ The New Debt Instruments will be debt securities of and shall for all purposes be treated as obligations of [Bank] only. All rights and liabilities in respect of the New Debt Instruments will be derived from this Instrument, the Supplemental [Bank] Resolution Instrument and the terms and conditions of such New Debt Instruments as annexed to the New Debt Instrument Trust Deed, which terms and conditions will be substantially in the form set out in Schedule [] of this Instrument. The New Debt Instruments shall for all purposes be treated as constituted by the New Debt Instruments Trust Deed and issued by [Bank] subject to, and with the benefit of, the New Debt Instruments Agency Agreement. The New Debt Instruments will be represented by a global New Debt Instrument substantially in the form set out in the New Debt Instrument Trust Deed which will be duly executed by [Bank], duly authenticated by [] and held by [] as common depositary/safekeeper in respect of the New Debt Instruments for the ICSDs. If definitive New Debt Instruments are required to be issued in exchange for a global New Debt Instrument upon the occurrence of any of the limited circumstances in condition [] of the New Debt Instruments conditions, the New Debt Instruments shall be represented by definitive New Debt Instruments substantially in the form set out in the New Debt Instrument Trust Deed which will be executed and authenticated by [Bank] and [] respectively.

28. The principal amount, interest rate, early call provisions if any and maturity date if applicable of the New Debt Instruments will be determined by the Bank of England following the Valuation Date and will be specified in the Supplemental [Bank] Resolution Instrument.]

Conversion of AT1 Instruments and Tier 2 Instruments

29. By this Instrument:

- (a) [each class of] the AT1 Instruments is converted into such number of Class [A] CEs as is equal to the aggregate principal amount outstanding of such class of AT1 Instruments rounded down to the nearest £[1] with one Class [A] CE being issued per £[1] of such aggregate principal amount outstanding.⁴⁰ [In the case of all AT1 Instruments which are denominated in a currency other than sterling, all non-sterling amounts shall be converted to sterling at the applicable Resolution FX Rate and rounded down to the nearest £[1]]; ⁴¹
- (b) all rights of any holder or beneficial owner of the AT1 Instruments at any time to or in respect of the AT1 Instruments (including in respect of principal and interest including interest accrued at any time prior to the Resolution Time) are cancelled and extinguished; and
- (c) all outstanding AT1 Instruments are cancelled in full.

39 If New Debt Instruments were to be created, the principal commercial terms such as amount, interest rate, any early call provisions and the maturity date, if applicable, of the New Debt Instruments are unlikely to be finally determined prior to the Valuation Date when the final bail-in and recapitalisation requirements can be determined. The details of the New Debt Instruments will therefore need to be specified in the Supplemental [Bank] Resolution Instrument. The provisions relating to New Debt Instruments included in this Template Resolution Instrument for illustration assume a single class of New Debt Instruments. If multiple classes of New Debt Instruments are to be created additional definitions will be required, e.g. for each class of New Debt Instrument. All classes of New Debt Instrument could be created using the same Trust Deed and Agency Agreement. Separate global notes and conditions would be necessary.

40 This assumes all classes of AT1 Instruments are to be treated the same in the bail-in. If different classes of AT1 Instrument are to be treated differently in bail-in (e.g. because they would have a different priority on a winding-up) different classes of Class [A] CEs will be required corresponding to the separate classes of AT1 Instrument.

41 Delete this sentence if all AT1 Instruments are denominated in sterling.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

30. By this Instrument:

- (a) [each class of] Tier 2 Instruments is converted into such number of Class [B] CEs as is equal to the aggregate principal amount outstanding of such class of Tier 2 Instruments rounded down to the nearest £[1] with one Class [B] CE being issued per £[1] of such aggregate principal amount outstanding.⁴² [In the case of all Tier 2 Instruments which are denominated in a currency other than sterling, all non-sterling amounts shall be converted to sterling at the applicable Resolution FX Rate and rounded down to the nearest £[1]];⁴³
- (b) all rights of any holder or beneficial owner of the Tier 2 Instruments at any time to or in respect of the Tier 2 Instruments (including in respect of principal and interest including interest accrued at any time prior to the Resolution Time) are cancelled and extinguished; and
- (c) all outstanding Tier 2 Instruments are cancelled in full.

31. By this Instrument:

- (a) [each class of] Preference Shares is converted into such number of Class [C] CEs as is equal to the aggregate nominal value of such class of Preference Shares rounded down to the nearest £[1] with one Class [C] CE being issued per £[1] of such aggregate nominal value;
- (b) all rights of any holder or beneficial owner of the Preference Shares at any time to or in respect of the Preference Shares (including in respect of any dividend or other distribution) are cancelled and extinguished; and
- (c) all outstanding Preference Shares are cancelled in full.⁴⁴

32. The conversions, extinguishments and cancellations effected by Paragraphs [29], [30] and [31] take effect at the Resolution Time.

***[EITHER]* [Reduction and Conversion [in part]] *[OR]* [Transfer and exchange] of SNP Instruments⁴⁵**

33. *[EITHER]*

[By this Instrument:

- (a) such amount of the aggregate outstanding amount (being the principal amount outstanding and the accrued and unpaid interest up to but excluding the day on which the Resolution Time

42 This assumes all classes of Tier 2 Instruments are to be treated the same in the bail-in. If different classes of Tier 2 Instrument are to be treated differently in bail in (e.g. because they would have a different priority on a winding-up) different classes of Class [B] CEs will be required corresponding to the separate classes of Tier 2 Instrument.

43 Delete this sentence if all Tier 2 Instruments are denominated in sterling.

44 This provision is relevant only if [Bank] has Preference Shares in its capital.

45 The option to be used will depend on whether there is an immediate partial bail-in or a deferred bail-in of SNP Instruments.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

occurs) in respect of each class of SNP Instruments as set out in the table contained in Schedule [1] to this Instrument is reduced and cancelled;

- (b) each class of SNP Instrument is converted in part into Class [D] CEs in an amount equal to the amount of the reduction and cancellation of the aggregate principal amount outstanding in respect of such class of SNP Instrument as set out in the table contained in Schedule [1] to this Instrument;⁴⁶ and
- (c) [the original minimum denomination in respect of each class of SNP Instrument is reduced and amended as set out in the table contained in Schedule [1] to this Instrument.]⁴⁷

[OR]

[By this Instrument it is proposed that, following the determination of the applicable Allocation Ratios, the SNP Instruments of each class shall be written-down, cancelled and converted as provided in the Supplemental [Bank] Resolution Instrument to be made on or about the [Allocation Ratio Announcement Date] and accordingly by this Instrument:

- (a) the SNP Instruments of each class are transferred to the Depository and:
 - (i) in exchange for the [xxxx] SNP Instruments the holders of the [xxxx] SNP Instruments shall be issued with such number of Class [D1] CEs; and
 - (ii) in exchange for the [yyyy] SNP Instruments the holders of the [yyyy] SNP Instruments shall be issued with such number of Class [D2] CEs;

in each case as is equal to the aggregate principal amount outstanding of the relevant class of SNP Instruments rounded down to the nearest £[1] with one Class [D1] CE or one Class [D2] CE, as applicable, being issued per £[1] of such aggregate amount outstanding [and, in the case of the [] SNP Instruments which are denominated in a currency other than sterling, all non-sterling amounts shall be converted to sterling at the applicable Resolution FX Rate rounded down to the nearest £[1] for the purpose of determining the number of Class [D1] CEs or Class [D2] CEs as applicable to be issued in exchange for such class of SNP Instruments];⁴⁸ and

- (b) the Depository shall hold the [xxxx] SNP Instruments on trust for the benefit of the Class [D1] CE Holders and the [yyyy] SNP Instruments on trust for the benefit of the Class [D2] CE Holders subject in each case to the terms of this Instrument, the Supplemental [Bank] Resolution Instrument, the [Bank] Onward Transfer Instrument, the Deposit Agreement and the CE Programme.]

46 Paragraph [33] assumes that all classes of SNP Instruments are to be treated the same in the bail-in. If different classes of SNP Instrument are to be treated differently in bail-in for any reason (e.g. because they would have a different priority on a winding-up) different classes of Class [D] CEs will be required corresponding to the separate classes of SNP Instrument. See Footnotes [7] and [11].

47 The provision in sub-Paragraph (c) is relevant only if it is necessary to make an adjustment to the minimum denominations of the SNP Instruments as a consequence of the bail-in.

48 This language also assumes that the SNP Instruments will remain in existence and will be transferred by the Resolution Instrument to the Depository to be written down and/or converted into Shares [and/or New Debt Instruments] following completion of the final equity valuation (Valuation 3).

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

34. [EITHER]

[By this Instrument all rights of any holder or beneficial owner of the SNP Instruments of any class at any time to or in respect of the aggregate outstanding amount in respect of the SNP Instruments of such class which is reduced and cancelled by Paragraph [33] are extinguished and the principal amount outstanding of each SNP Instrument of such class which is converted into Class [D] CEs by Paragraph [33] is cancelled.]

[OR]

[By this Instrument all rights, benefits and privileges of any holder or beneficial owner of the SNP Instruments of any class which are transferred by Paragraph [33] at any time to or in respect of the SNP Instruments of such class, including all rights of any such person to receive any payment whether in respect of principal, interest or otherwise or any amount in specie in respect of the SNP Instruments of such class, are extinguished [save as otherwise expressly provided by this Instrument, any Supplemental [Bank] Resolution Instrument or any [Bank] Onward Transfer Instrument].⁴⁹

35. [Other than as expressly provided in this Instrument, the transfers of SNP Instruments effected by Paragraph [33]] vest title in the Depository:

- (a) free from all trusts, liabilities, claims and other encumbrances; and
- (b) together with all rights, benefits and privileges which attach or accrue to or arise from or in respect of the SNP Instruments.⁵⁰

36. [By this Instrument the terms and conditions of the SNP Instruments [of each class] [and of any agreement relating to the SNP Instruments [of each class]] are modified with the effect that all provisions providing for the payment of any amount of interest, principal or any other amount on or in respect of the SNP Instruments [of such class] [at or after the Resolution Time] (and notwithstanding that all or any part of any such amount may have accrued in respect of any period prior to the Resolution Time) shall not have any effect and shall be disregarded for all purposes and no person shall have any right at any time to or in respect of any such amount [save as may otherwise be provided in any Supplemental [Bank] Resolution Instrument].⁵¹

37. [The modifications in Paragraph [36] shall be disregarded in determining whether:

- (a) any breach of contract or event of default applies in the SNP Instruments or in any other contract or other arrangement to which [Bank] is a party; and

49 The first option applies if there is to be an immediate bail-in in part of SNP Instruments. The second option applies if there is to be a deferred bail-in where the SNP Instruments are transferred to the Depository. The reference to save as otherwise provided in the instruments relates to Paragraph [33(b)] and the holding of SNP Instruments on trust referred to therein in a deferred bail-in.

50 This Paragraph only applies if there is a transfer of SNP Instruments to the Depository in a deferred bail-in.

51 To be included if payments in respect of the SNP Instruments are to be suspended during the bail-in period.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

- (b) any right of termination or right to require payment of any amount prior to its due date arises under the SNP Instruments or under any other contact or arrangement to which [Bank] is a party.]
38. [The modifications in Paragraph [36] shall apply until such time as may be specified in any Supplemental [Bank] Resolution Instrument [and are subject to any provision in any Supplemental [Bank] Resolution Instrument providing for the cancellation in whole or in part of any such amounts as are referred to in Paragraph [36]].]⁵²
39. For the purposes of Paragraphs [34], [35], [36] [37 and 38]:⁵³
- (a) a right includes a right or entitlement by any name, including a contingent or future right or entitlement;
- (b) it does not matter if the right was granted by [Bank] or any other person.
40. The *[EITHER]* [reductions, exchanges and cancellations] *[OR]* [transfers]⁵⁴ effected by Paragraph [33], the extinguishing of rights effected by Paragraphs [34] and [35] [and the modification of the terms and conditions of the SNP Instruments and any agreements relating thereto effected by Paragraph [36 and 37]] take place with effect from the Resolution Time.

***[EITHER]* [Additional Reduction] *[OR]* [Reduction and Exchange of] SNP Instruments**⁵⁵

41. *[EITHER]*⁵⁶

[On] the Allocation Ratio Announcement Date:

- (a) such further amount of the aggregate principal amount outstanding [and the aggregate accrued and unpaid interest from and including the day on which the Resolution Time occurs to but excluding the [Allocation Ratio Announcement Date]] in respect of [each class of SNP Instruments] as is equal to the aggregate principal amount of [and such aggregate accrued and unpaid interest in respect of] the SNP Instruments [of such class] multiplied [in each case] by

52 Paragraph [38] is only relevant if payments in respect of SNP Instruments are to be suspended pursuant to Paragraph [36]

53 The references to Paragraphs [37] and [38] only apply if payments in respect of SNP Instruments are to be suspended pursuant to Paragraph [36].

54 The relevant option depends on whether there is an immediate bail-in in part or a deferred bail-in. There may not be a need for either option.

55 The relevant option depends on whether there is to be an immediate bail-in and a subsequent additional bail-in of the SNP Instruments is to be provided for or if there is to be a deferred bail-in of the SNP Instruments.

56 This option is applicable if there is to be an immediate bail-in of the SNP Instruments at the Resolution Time under Paragraph [33] of the Resolution Instrument and the BoE intends to preserve the option to make a subsequent additional bail-in following the final equity valuation (Valuation 3). The inclusion of the provision in square brackets relating to the write-down of accrued and unpaid interest depends on whether interest has continued to accrue or has been suspended under Paragraph [33] and therefore whether the subsequent additional bail-in is a write-down of the principal amount outstanding only or of principal outstanding and accrued and unpaid interest since the Resolution Time. If interest accrual has been suspended the application of the words in square brackets relating to accrued and unpaid interest can be deleted as interest will not have accrued. This Paragraph also assumes all classes of SNP Instruments are to be treated the same in the subsequent additional bail-in. If different classes of SNP Instrument are to be treated differently in a subsequent additional bail-in for any reason (e.g. because they would have a different priority on a winding-up) different classes of Class [D] CEs will be required corresponding to the separate classes of SNP Instrument.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

the Class [D] Allocation Ratio shall be reduced and cancelled as provided in the Supplemental [Bank] Resolution Instrument;⁵⁷ and

- (b) [the amended minimum denomination in respect of each class of SNP Instrument shall be reduced and amended as set out in the Supplemental [Bank] Resolution Instrument.⁵⁸]

[OR]⁵⁹

[On] the Allocation Ratio Announcement Date such amount of the aggregate principal amount outstanding [and the aggregate accrued and unpaid interest from and including the day on which the Resolution Time occurs to but excluding the [Allocation Ratio Announcement Date]] in respect of [each class of SNP Instruments] as is specified in the Supplemental [Bank] Resolution Instrument shall be reduced and cancelled as provided in the Supplemental [Bank] Resolution Instrument.

42. Each CE Holder is required to and shall be deemed to have agreed and undertaken to comply with the restrictions on selling, offering, transferring or otherwise making available CEs contained in CE Condition [6]. The Bank of England, the Registrar or the Depositary may require from a CE Holder such further information and evidence (including certification as to status for securities law purposes) as it considers relevant before transferring Deposited Property to that CE Holder. [The CEs held by any CE Holder to whom CEs are found to have been transferred in contravention of the restrictions on selling, offering, transferring or otherwise making available CEs contained in the CE Conditions will cease to be exchangeable and any Deposited Property corresponding thereto will continue to be held by or on behalf of the Depositary in accordance with the CE Conditions until a Sale Event occurs whereupon any Deposited Property not in the form of sterling cash will be sold in accordance with CE Condition [3].]

CE Entitlements

43. The Class [A] Entitlement shall be the aggregate of:

- (a) such [fractional] number of Deposited Shares as is equal to the aggregate number of Deposited Shares multiplied by the Class [A] Allocation Ratio; and
- (b) such [fractional] amount of the Deposited Share Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Share Property multiplied by the Class [A] Allocation Ratio.

57 This provision assumes that the same Allocation Ratio can be used to calculate the amount of the additional write down of principal amounts outstanding (and any accrued and unpaid interest if relevant) in respect of the SNP Instruments of each class and the exchange of the Class [D] CEs. The Allocation Ratio Announcement Date seems to be the appropriate date for the subsequent additional bail-in to take place as the final equity valuation information will then be available. However, this is a potential date only and could be altered. The determination of the Allocation Ratios will enable holders of the Class [D] CEs to make an assessment as to whether to retain their CEs and exchange them or to sell them between the Allocation Ratio Announcement Date and the Allocation Record Date.

58 Only relevant only if it is necessary to make a further adjustment to the minimum denominations of the SNP Instruments to deal with significant rounding issues in determining entitlements as a consequence of the subsequent additional bail-in. See Footnote [7].

59 This option is applicable if there is a deferred bail-in and the write-down of the SNP Instruments is to take place on the Allocation Ratio Announcement Date following completion of the final equity valuation (Valuation 3). See Footnotes [7] and [11]. The Allocation Ratio Announcement Date seems to be the appropriate date for the deferred bail-in to take place as the final equity valuation information will then be available. However, this is a potential date only and could be altered. The determination of the Allocation Ratios will enable holders of the Class [D1] CEs and the Class [D2] CEs to make an assessment as to whether to retain and exchange their CEs or to sell them between the Allocation Ratio Announcement Date and the Allocation Record Date.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

44. [The aggregate Class [A] Entitlement of each holder or beneficial owner of Class [A] CEs shall be rounded down in the case of Deposited Shares to the nearest whole Deposited Share and in the case of Deposited Share Property to the nearest £ [1].]⁶⁰
45. The Class [B] Entitlement shall be the aggregate of:
- (a) such [fractional] number of Deposited Shares as is equal to the aggregate number of Deposited Shares multiplied by the Class [B] Allocation Ratio; and
 - (b) such [fractional] amount of the Deposited Share Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Share Property multiplied by the Class [B] Allocation Ratio.
46. [The aggregate Class [B] Entitlement of each holder or beneficial owner of Class [B] CEs shall be rounded down in the case of Deposited Shares to the nearest whole Deposited Share and in the case of Deposited Share Property to the nearest £ [1].]⁶¹
47. The Class [C] Entitlement shall be the aggregate of:
- (a) such [fractional] number of Deposited Shares as is equal to the aggregate number of Deposited Shares multiplied by the Class [C] Allocation Ratio; and
 - (b) such [fractional] amount of the Deposited Share Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Share Property multiplied by the Class [C] Allocation Ratio.
48. [The aggregate Class [C] Entitlement of each holder or beneficial owner of Class [C] CEs shall be rounded down in the case of Deposited Shares to the nearest whole Deposited Share and in the case of Deposited Share Property to the nearest £ [1].]⁶²

[EITHER]⁶³

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- 60 Rounding could occur at an individual CE entitlement level or at an aggregate level in respect of the entitlement of the CE Holder of the relevant class. The latter is provided for in Paragraph [44] by way of illustration. Rounding thresholds are for illustration and will be determined at the relevant time.
- 61 Rounding could occur at an individual CE entitlement level or at an aggregate level in respect of the entitlement of the CE Holder of the relevant class. The latter is provided for in Paragraph [46] by way of illustration. Rounding thresholds are for illustration and will be determined at the relevant time.
- 62 Rounding could occur at an individual CE entitlement level or at an aggregate level in respect of the aggregate entitlement of the CE Holder of the relevant class. The latter is provided for in Paragraph [48] by way of illustration. Rounding thresholds are for illustration and will be determined at the relevant time.
- 63 The relevant option depends on whether there is to be an immediate bail-in (whether or not a subsequent additional bail-in is to take place) or a deferred bail-in in respect of the SNP Instruments.

This first option in Paragraph [49] and the accompanying Paragraph [50] is applicable if there is an immediate bail-in of the SNP Instruments at the Resolution Time under Paragraph [33] of the Resolution Instrument whether or not followed by a subsequent additional bail-in as contemplated in Paragraph [41] of the Resolution Instrument following the final equity valuation (Valuation 3). This Paragraph assumes all classes of SNP Instruments are to be treated the same. If different classes of SNP Instrument are to be treated differently for any reason (e.g. because they would have a different priority on a winding-up) different classes of Class [D] CEs will be required corresponding to the separate classes of SNP Instrument.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

49. The Class [D] Entitlement shall be the aggregate of:

- (a) such [fractional] number of Deposited Shares as is equal to the aggregate number of Deposited Shares multiplied by the Class [D] Allocation Ratio;
- (b) such [fractional] amount of the Deposited Share Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Share Property multiplied by the Class [D] Allocation Ratio; [and]
- (c) [such [fractional] principal amount of [each class of] New Debt Instruments forming part of the Class [D] Entitlement following the creation of the New Debt Instruments as referred to in Paragraph [27] as is equal to the aggregate principal amount of each such class of New Debt Instrument multiplied by the Class [D] Allocation Ratio.]

50. [The aggregate Class [D] Entitlement of each holder or beneficial owner of Class [D] CEs shall be rounded down in the case of Deposited Shares to the nearest whole Deposited Share, in the case of Deposited Share Property to the nearest £[1] [and in the case of New Debt Instruments to the nearest whole minimum denomination of a New Debt Instrument of the relevant class or classes]].⁶⁴

[OR]⁶⁵

49A. The Class [D1] Entitlement shall be the aggregate of:

- (a) such fractional principal amount of the [xxxx] SNP Instruments following the cancellation of principal amount outstanding as referred to in Paragraph [41] as is equal to the aggregate principal amount of the [xxxx] SNP Instruments multiplied by the Class [D1] Allocation Ratio;
- (b) [such fractional amount of the Deposited Instrument Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Instrument Property multiplied by the Class [D1] Allocation Ratio;]⁶⁶
- (c) such [fractional] number of Deposited Shares as is equal to the aggregate number of Deposited Shares multiplied by the Class [D1] Allocation Ratio;
- (d) such [fractional] amount of the Deposited Share Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Share Property multiplied by the Class [D1] Allocation Ratio; [and]

64 Rounding could occur at an individual CE entitlement level or at an aggregate level in respect of the aggregate entitlement of the CE Holder of the relevant class. The latter is provided for in Paragraph [50] by way of illustration. Rounding thresholds are for illustration and will be determined at the relevant time.

65 This option is applicable if there is a deferred bail-in at the Resolution Time under Paragraphs [33] and [41] of the Template Resolution Instrument.

66 Although it is unlikely to be the case, Deposited Instrument Property could potentially include interest and principal payments which had been suspended during the bail-in period but which are reinstated on the Allocation Ratio Announcement Date. Alternatively, such amounts could be taken into account as part of the write-down and cancellation and the relevant Allocation Ratio calculation.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

- (e) such [fractional] principal amount of [each class of] New Debt Instruments forming part of the Class [D1] Entitlement following the creation of the New Debt Instruments as referred to in Paragraph [27] as is equal to the aggregate principal amount of such class of New Debt Instruments multiplied by the Class [D1] Allocation Ratio.]

49B. The Class [D2] Entitlement shall be the aggregate of:

- (a) such fractional principal amount of the [yyyy] SNP Instruments following the cancellation of principal amount outstanding amount as referred to in Paragraph [41] as is equal to the aggregate principal amount of the [yyyy] SNP Instruments multiplied by the Class [D2] Allocation Ratio;
- (b) [such fractional amount of the Deposited Instrument Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Instrument Property multiplied by the Class [D2] Allocation Ratio;]
- (c) such [fractional] number of Deposited Shares as is equal to the aggregate number of Deposited Shares multiplied by the Class [D2] Allocation Ratio;
- (d) such [fractional] amount of the Deposited Share Property which is in the form of cash as is equal to the aggregate amount of cash forming part of the Deposited Share Property multiplied by the Class [D2] Allocation Ratio; [and
- (e) such [fractional] principal amount of [each class of] New Debt Instruments forming part of the Class [D2] Entitlement following the creation of the New Debt Instruments as referred to in Paragraph [27]] as is equal to the aggregate principal amount of such class of New Debt Instruments multiplied by the Class [D2] Allocation Ratio.]

50A. [The aggregate Class [D1] Entitlement of each holder or beneficial owner of Class [D1] CEs shall be rounded down in the case of the [xxxx] SNP Instruments to the nearest whole minimum denomination of [xxxx] SNP Instruments following any modification to the minimum denomination of the [xxxx] SNP Instruments made by the Supplemental [Bank] Resolution Instrument,]⁶⁷ in the case of the Deposited Shares to the nearest whole Deposited Share, [in the case of the Deposited Instrument Property to the nearest [£1] and] in the case of the Deposited Share Property to the nearest £[1] [and in the case of New Debt Instruments to the nearest whole minimum denomination of a New Debt Instrument of the relevant class or classes.]]⁶⁸

50B. [The aggregate Class [D2] Entitlement of each holder or beneficial owner of Class [D2] CEs be rounded down in the case of the [yyyy] SNP Instruments to the nearest whole minimum denomination of [yyyy] SNP Instruments following any modification to the minimum denomination of the [yyyy] SNP Instruments made by the Supplemental [Bank] Resolution Instrument,] in the case of the Deposited Shares to the nearest whole Deposited Share, in the case of [the Deposited Instrument Property to the nearest [£1] and] in the case of the Deposited Share

⁶⁷ Adjusting the minimum denomination of SNP Instruments if that was necessary to deal with significant rounding issues in determining individual entitlements should not be problematic.

⁶⁸ Rounding could occur at an individual CE entitlement level or at an aggregate level in respect of the entitlement of the CE Holder of the relevant class. The latter is provided for in Paragraph [50A] by way of illustration. Rounding thresholds for Deposited Instrument Property and deposited Share Property are for illustration and will be determined at the relevant time.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Property to the nearest £[1] [and in the case of New Debt Instruments to the nearest whole minimum denomination of a New Debt Instrument of the relevant class or classes.]]⁶⁹

51. For the purpose of determining the Class [A] Entitlement, the Class [B] Entitlement, the Class [C] Entitlement and *[EITHER]* [the Class [D] Entitlement] *[OR]* [the Class [D1] Entitlement and the Class [D2] Entitlement] any cash amount received by the Depositary and comprised within the Deposited Share Property or the Deposit Instrument Property and denominated in a currency other than sterling shall be converted into sterling at the [Allocation FX Rate].
52. The Class [A] Allocation Ratio, the Class [B] Allocation Ratio, the Class [C] Allocation Ratio and *[EITHER]* [the Class [D] Allocation Ratio] *[OR]* [the Class [D1] Allocation Ratio and the Class [D2] Allocation Ratio] will be [published by the Bank of England [] [days] [Business Days] after the Valuation Date and] specified in the Supplemental [Bank] Resolution Instrument.⁷⁰
53. The transfer of [Deposited Share Property] and [Deposited Instrument Property] to the accounts of CE Holders with the relevant CSDs will be made by [one or more] [Bank] Onward Transfer Instrument[s] made by the Bank of England as provided in Paragraphs [54 to 59] below.⁷¹
54. On the Business day following the Allocation Record Date, the Depositary will request from [the common depositary/safekeeper for EUI as operator of CREST, Euroclear and Clearstream] [and from DTC] [and from each other CSD in which CEs are traded and settled], and [the common depositary/safekeeper for EUI as operator of CREST, Euroclear and Clearstream] [and DTC] [and each such other CSD on which CEs are traded and settled] will provide to the Depositary not later than the close of business on the [Business Day] following such request, the following information:
 - (a) the name, address and account details of each CE Holder of each class holding CEs traded and settled with such CSD with the relevant CSD including the account to which Shares are to be credited and the account to which cash or securities other than Shares comprised in the Deposited Property is to be credited;
 - (b) the number of CEs of each class held by each such CE Holder.
55. Following receipt of the information specified in Paragraph [54] above, the Depositary will:
 - (a) calculate the Class [A] Entitlement for each CE Holder holding Class [A] CEs;
 - (b) calculate the Class [B] Entitlement for each CE Holder holding Class [B] CEs;
 - (c) calculate the Class [C] Entitlement for each CE Holder holding Class [C] CEs;
 - [EITHER]
 - (d) calculate the Class [D] Entitlement for each CE Holder holding Class [D] CEs;

⁶⁹ Rounding could occur at an individual CE entitlement level or at an aggregate level in respect of the entitlement of the CE Holder of the relevant class. The latter is provided for in Paragraph [50B] by way of illustration. Rounding thresholds for Deposited Instrument Property and deposited Share Property are for illustration and will be determined at the relevant time.

⁷⁰ The arrangements for the announcement of the Allocation Ratios and the making of the Supplemental Resolution Instrument will be determined in the circumstances of the case.

⁷¹ As noted in Footnote [7], it is assumed in this Template Resolution Instrument that the subsequent transfer of Shares to CE Holders would be effected by way of an Onward Transfer Instrument made under S.48V of the Banking Act. The reference to one or more [Bank] Onward Transfer Instruments is to address the possibility that the BoE may decide to effect the exchanges of CEs and the transfer of the relevant entitlements in batches. If only one [Bank] Onward Transfer Instrument is envisaged the plural references should be deleted.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

[OR]

- (d) calculate the Class [D1] Entitlement for each CE Holder holding Class [D1] CEs; and
 - (e) not less than [] Business Days prior to the Allocation Expiration Date provide to the Bank of England an Onward Transfer Request containing the above information.
56. If a CE Holder is the holder more than one class of CEs (a “Multiple Class Holder”), the Depositary may aggregate the entitlements in respect of each class of CEs held by such person in such Onward Transfer Request.
57. [As soon as practicable] following the receipt of an Onward Transfer request, the Bank of England will make a [Bank] Onward Transfer Instrument relating thereto. If a CE Holder is identified in an Onward Transfer Instrument as a Multiple Class Holder and the Depositary has aggregated the entitlements of such Multiple Class Holder in the Onward Transfer Request, the entitlements in respect of each class of CEs held by such person may be aggregated in the [Bank] Onward Transfer Instrument made in relation to such Onward Transfer Request.
58. As soon as practicable following the making of a [Bank] Onward Transfer Instrument by the Bank of England, the Depositary [Custodian] will credit the relevant Deposited Property to the accounts of the relevant CE Holders with the relevant CSDs.
59. As soon as practicable following the making of an [Bank] Onward Transfer Instrument by the Bank of England, the Depositary will:
- (a) [cause the [Registrar] [Custodian] to confirm with [CREST] [Euroclear or Clearstream] [or DTC] [as applicable] that:
 - (1) the relevant number of Shares has been credited to the relevant securities account of each CE Holder including each Multiple Class Holder specified in the [relevant] Onward Transfer Request and the subject of the [relevant] [Bank] Onward Transfer Instrument;⁷²
 - (2) [(2) [in the case of Class [D1] CEs and Class [D2] CEs if the Class [D1] Deposited Property or the Class [D2] Deposited Property includes SNP Instruments of any class, the relevant principal amount of SNP Instruments of each relevant class has been credited to the relevant securities account of each Class [D1] CE Holder or Class [D2] CE Holder, specified in the [relevant] Onward Transfer Request and the subject of the [relevant] [Bank] Onward Transfer Instrument;]⁷³
 - (3) [if the Deposited Property for any class of CEs included New Debt Instruments, the principal amount of New Debt Instruments comprised in the entitlement of the CE Holder of such class of CEs specified in the [relevant] Onward Transfer Request and the subject of the [relevant] [Bank] Onward Transfer Instrument has been credited to the relevant securities account of the relevant CE Holder;
 - (4) [if the Deposited Property for any class of CEs includes cash, the relevant sterling cash amount has been comprised in the entitlement of the CE Holder of such class of CEs specified in the [relevant] Onward Transfer Request and the subject of the

⁷² The references to [relevant] are to address the possibility of multiple Onward Transfer Requests and [Bank] Onward Transfer Instruments if Deposited Property was transferred in batches.

⁷³ This provision would only be relevant to Class [D1] CEs and Class [D2] CEs in a deferred bail-in.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

[relevant] [Bank] Onward Transfer Instrument is credited to the relevant sterling cash account of the relevant CE Holder;]

- (b) cause the Registrar to update the Register to record: (i) the cancellation of the aggregate number of CEs of each class held by the CE Holders, including any Multiple Class Holders, specified in the [relevant] Onward Transfer Request and the subject of the [relevant] [Bank] Onward Transfer Instrument; and (ii) the reduced number of CEs of each class evidenced by the Master CE Certificate for such class of CEs following the transfer of the relevant Deposited Property.

PART 3

GOVERNANCE

[Resolution Administrator]⁷⁴

60. By this Instrument, [] is appointed as Resolution Administrator.
61. The appointment made in Paragraph [60] takes effect at the Resolution Time.
62. Voting rights in respect of the Shares shall be exercisable only by the Resolution Administrator until the Voting Rights Transfer Date, [provided that the Resolution Administrator shall not exercise any voting rights unless it has first consulted with the [Bank of England] [and the PRA].⁷⁵
63. The Resolution Administrator shall be remunerated as provided in the Resolution Administrator Appointment Agreement.⁷⁶
64. The Resolution Administrator may resign as Resolution Administrator on providing not less than [] notice in writing to the Bank of England. Such resignation shall become effective on the date determined by the Bank of England [such determination being made not later than [] days after receipt by the Bank of England of such notice of resignation].
65. The Bank of England may terminate the appointment of the Resolution Administrator in the circumstances provided in Section 62D(3)(b) of the Banking Act.
66. Following the resignation of the Resolution Administrator or the termination of the appointment of the Resolution Administrator, the Bank of England may take such steps as it deems necessary or

74 Power to appoint a Resolution Administrator is contained in S. 62B to S. 62E Banking Act. It is not mandatory to appoint a Resolution Administrator, hence these provisions are in square brackets for consideration in the particular case. The BoE may also appoint itself as Resolution Administrator.

75 The Resolution Instrument may make provision that specified rights attaching to securities may be exercised by the BoE or a Resolution Administrator.

76 The provisions for remuneration and allowances to be paid by the BoE or determined by the BoE and paid by [Bank] to the Resolution Administrator may be included in the Resolution Instrument or in a separate document with the Resolution Administrator. The Resolution Administrator Appointment Agreement could also include various other provisions, for example provisions as to frequency and form of reporting to the BoE.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

desirable in order to appoint a replacement Resolution Administrator or may decide not to appoint a replacement Resolution Administrator.]

Business reorganisation plan⁷⁷

67. The [Resolution Administrator] [directors of [Bank]] shall:

- (a) draw up a business reorganisation plan in accordance with the requirements specified in Paragraph 68;
- (b) submit the business reorganisation plan to the Bank of England within [] days of the date of this Instrument;
- (c) submit to the Bank of England progress reports on the implementation of the business reorganisation plan at [intervals to be specified].⁷⁸

68. The business reorganisation plan shall include:

- (a) an assessment of the factors that caused Condition 1 in Section 7 of the Banking Act to be met in the case of [Bank];
- (b) a description of the measures to be adopted with a view to restoring the viability of [Bank];
- (c) a timetable for the implementation of those measures;
- (d) [EITHER] [further provisions in relation to the business reorganisation plan to be specified] [OR] [such matters as are specified in the agreement entered into between the Bank of England and [the person responsible for the preparation of the business reorganisation plan] on or before the date on which the Resolution Time occurs.]⁷⁹

[Resolution Administrator: Further functions

69. The Resolution Administrator may terminate, or direct [Bank] to terminate, the appointment of the Depositary, [the Custodian] and/or the Registrar at any time [with immediate effect] and for any or

77 S. 12A(2C) Banking Act requires provision to be made in a bail-in resolution instrument for a business reorganisation plan under the provisions of S. 48H(1). S. 48H(1) requires a business reorganisation plan to be drawn up by a resolution administrator or one or more directors of the firm in resolution. S. 48H(3) and (5) set out the process for approval of the business reorganisation plan by the BoE and the requirement to consult the PRA and the FCA. The requirements of the Bank Recovery and Resolution (No. 2) Order 2014 in relation to the preparation of a business reorganisation plan will also need to be taken into account, either in the Resolution Instrument or in the separate agreement with the person responsible for preparing the plan.

78 S. 48H(1) Banking Act sets out the process for production of the business reorganisation plan to be included in the Resolution Instrument. S.48H(7) permits certain matters to be dealt with in a separate agreement between the BoE and the person responsible for drawing up the business reorganisation plan.

79 S.48H(2) Banking Act sets out what the business reorganisation plan must include. This paragraph will need to be developed with further provisions as are appropriate in the circumstances of the case having regard to the powers of the BoE under S.48H(7) Banking Act or provide for such additional matters to be included in a separate agreement between the BoE and the person responsible for drawing up the business reorganisation plan in accordance with S.48H(7).

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

no reason and may appoint, or direct [Bank] to appoint, a successor depositary, [custodian] and/or registrar.]

Directors

70. At any time when any Shares are held by or on behalf of the Depositary or a Resolution Administrator has been appointed in respect of [Bank], the Bank of England may:
- (a) remove, vary the service contract of, terminate the service contract of, or appoint, a director or senior manager of [Bank]; or
 - (b) give written directions (whether general or specific) to one or more directors of [Bank].
71. References in Paragraph [70] to [Bank] include a reference to any undertaking which is a banking group company in respect of [Bank].
72. The directors of [Bank] shall do all things necessary to give effect to this Instrument and shall refrain from exercising any power (whether deriving from common law, statute or [Bank]'s memorandum or articles of association) which could have the effect of undermining the actions and prohibitions provided for or contemplated in this Instrument.

Memorandum and Articles of Association

73. This Instrument takes effect notwithstanding any provision in [Bank]'s memorandum of association or articles of association, or any contracts to which [Bank] is a party. In particular, any provision in the articles of association of [Bank] which prevents a person from holding more than [15%] of [Bank]'s Shares or voting rights (and any related provision) is disapplied in relation to Shares and voting rights held or exercisable by or on behalf of the Depositary, [Custodian,] any Resolution Administrator or the Bank of England or by this Instrument.]

PART 4

MISCELLANEOUS

Overriding nature of transfers, cancellations, exchanges and modifications

74. The transfer of the Shares in Paragraph [4], the exchange and cancellation of the AT1 Instruments, Tier 2 Instruments and Preference Shares in Paragraphs [29], [30] and [31], *[EITHER]* [the reduction and exchange of the SNP Instruments in Paragraph [33] *[OR]* [the transfer of the SNP Instruments in Paragraph [33]], [and the modification of the SNP Instruments in Paragraph [36]] take effect at the Resolution Time irrespective of whether the Shares, the Preference Shares or the relevant Existing Debt Instruments, as applicable, have been produced, delivered, transferred or otherwise dealt with or are subsequently purported to be produced, delivered, transferred or otherwise dealt with.
75. [If prior to the Resolution Time, any person has agreed to sell any Shares, Preference Shares or Existing Debt Instruments and the sale transaction has reached the point at which it is irrevocable

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

and will be settled in accordance with the rules or practice of the relevant CSD, the person to whom the relevant instrument will be transferred by the CSD shall be treated as the holder of the relevant instrument at the Resolution Time.]⁸⁰

Suspension and discontinuation of listing

76. By this Instrument, the listing of the Shares and the listing of the SNP Instruments [of each class] listed on the Official List of the FCA is suspended with effect from the Resolution Time without the need for any notice to, or consent of, [Bank] or any other person.⁸¹
77. By this Instrument, the listing of the AT1 Instruments, the Tier 2 Instruments and the Preference Shares on the Official List of the FCA is discontinued with effect from the Resolution Time without the need for any notice to, or consent of, [Bank] or any other person.⁸²
78. [By this Instrument, and notwithstanding the transfer of the Shares [or the SNP Instruments of any class] to the Depositary [or any reduction and cancellation in the [principal amount] [outstanding amount payable] in respect of any class of SNP Instruments or any conversion in part of SNP Instruments of any class into Shares [and/or New Debt Instruments of any class] as contemplated by this Instrument or any Supplemental [Bank] Resolution Instrument, the Shares and the SNP Instruments of each class shall continue to be admitted to the Official List of the FCA without the need for any notice to or consent of the FCA or any other person and without the need for the approval, filing or publication of any prospectus or listing particulars in respect of [Bank] or the Shares or the SNP Instruments of any class and Section 85 (1) and (2) of FSMA shall be disapplied.⁸³

Continuity

79. As from the Resolution Time, the [Depositary] is to be treated as the same person as the transferors of the Shares [and the transferors of the SNP Instruments]⁸⁴ for all purposes necessary to give effect to the transfer to the [Depositary].

80 The treatment of ‘in flight’ transactions will need to be considered. Paragraph [75] is one approach which has been included for the purpose of illustration only.

81 It is possible that listed securities of the firm may already have been suspended either on a request from [Bank] which will be likely to be actively considering its disclosure obligations in the period prior to resolution or by the FCA exercising its power to suspend listed securities. If that is the case this provision will need to be amended. The BoE would co-ordinate with the FCA in relation to the suspension of UK listed securities by the BoE exercising its power so that the FCA can make any announcement it would normally make on the suspension of a listed security and can amend the Official List. The duration of the suspension of the listing of the Shares and the SNP Instruments also needs to be considered. Since the Shares are to be transferred to a Depositary for the duration of the bail-in, and as trading of the Shares on the stock exchange would not be possible whilst they are held by the Depositary, the suspension of the listing of Shares is expected to remain in place until the bail-in is complete. This would also be likely to be the position with regard to the SNP Instruments. Notwithstanding the suspension of the listing of securities which are admitted to the Official List of the FCA, [Bank] will remain subject to the continuing obligations, including the disclosure obligations, of the FCA throughout any period of suspension.

82 Since the Preference Shares, AT1 Instruments and Tier 2 Instruments are being cancelled the listing of these instruments should be discontinued.

83 The reference in Paragraph [78] to the transfer of the SNP Instruments is relevant if there is to be a deferred bail in. The other references to SNP Instruments in Paragraph [78] apply whether there is to be an immediate or a deferred bail-in of such instruments. If New Debt Instruments are to be created and issued in respect of the exchange of any SNP Instruments listing particulars/a prospectus will need to be prepared and approved in respect of such New Debt Instruments.

84 The reference to the SNP Instruments is relevant if there is to be a deferred bail-in.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

80. Any rights, benefits or privileges to which the transferors are entitled before the transfer time that have not yet vested been paid or settled shall transfer to the [Depository] from the Resolution Time.
81. A reference (express or implied) in a relevant instrument or document relating to the transferors is to have effect as if it were a reference to the [Depository] if the reference is in connection with rights that relate to the Shares [or the SNP Instruments as applicable].
82. A relevant instrument or document is one which relates to some or all of the Shares [or the SNP Instruments as applicable].
83. The transferors in respect of the Shares [and the SNP Instruments]⁸⁵ and the holders of the AT1 Instruments, the Tier 2 Instruments, the Preference Shares [and the SNP Instruments]⁸⁶ prior to the Resolution Time must provide as soon as practicable the Bank of England [and the Resolution Administrator] with such information and assistance as is reasonably requested by the Bank of England [or the Resolution Administrator] in writing:
- (a) in relation to the Shares, the AT1 Instruments, the Tier 2 Instruments, the Preference Shares [or the SNP Instruments], as applicable; and
 - (b) for any other purpose relating to, in connection with or in consequence of this Instrument.
84. [Bank] shall exercise all rights to which it is entitled by contract or otherwise to procure that the CSDs, each registrar, common depository, trustee and paying agent shall do, and the CSDs, each registrar, common depository, trustee and paying agent and each CE Holder [and all other relevant persons] are required by this Instrument to do, all things necessary or desirable to give effect to the transfers, conversions, reductions, cancellations, exchanges and modifications and the creation of new securities and instruments effected by this Instrument [or any Supplemental [Bank] Resolution Instrument] or any [[Bank] Onward Transfer Instrument] and to assist the Bank of England as it may require in connection therewith (including the taking such actions as are described in Schedule [] to this Instrument).⁸⁷

Bank of England Power to Instruct

85. The Bank of England shall have the authority to give instructions, on behalf of [Bank], to any common depositaries/safekeepers, any CSD, any trustee, any paying agent and any registrar [and any other person] in respect of the CEs, the AT1 Instruments, the Tier 2 Instruments, the Preference Shares and the SNP Instruments following the making of this Instrument.

Execution, issue and delivery of instruments

86. [Add any provision required relating to execution, issue or delivery of instruments].

85 The reference to the SNP Instruments is relevant if there is to be a deferred bail-in.

86 The reference to SNP Instruments is relevant if there is to be an immediate bail-in.

87 In addition to the general power of the BoE to require assistance under S.48Q Banking Act, this provision requires the firm in resolution to exercise any rights it has to direct EUI, the ICSDs, each registrar, common depository, trustee and paying agent to take any necessary actions to give effect to the bail-in.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Data protection

87. [Bank] shall be considered the data controller of any personal data required only to be processed in connection with this Instrument.

Overriding effect of this Instrument

88. This Instrument takes effect despite any restriction arising by virtue of contract or legislation or in any other way.

89. Section 48Z(6) of the Banking Act (which makes provision in respect of default event provisions) is applied by this Instrument.

90. [Section 48Z(6) of the Banking Act does not apply to the extent that it would be incompatible with the Financial Markets and Insolvency (Settlement Finality) Regulations 1999 (SI 1999/2979), as amended or the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003/3226), as amended.]

The Governor and Company of the Bank of England

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

SCHEDULE 1

REDUCTIONS AND ALLOCATION OF SNP

ISIN of relevant class of SNP Instrument	Original principal amount repayable per original minimum denomination of the relevant class of SNP Instrument	Reduction in principal amount repayable per original minimum denomination of the relevant class of SNP Instrument	[Amended minimum denomination of the relevant class of SNP Instrument] ⁸⁸	[New principal amount repayable per amended minimum denomination of the relevant class of SNP Instrument] ⁸⁹	Accrued and unpaid interest per original minimum denomination of the relevant class of SNP Instrument	Reduction in accrued and unpaid interest per original minimum denomination of the relevant class of SNP Instrument	Aggregate principal amount of relevant class of SNP Instrument (sterling or sterling equivalent) converted to Class [D] CEs

88 This column is only relevant if the reduction in the principal amount outstanding of the SNP Instrument of any class requires a change to be made to the minimum denomination of such class of SNP Instruments.

89 This column is only relevant if the reduction in the principal amount outstanding of the SNP Instrument of any class requires a change to be made to the minimum denomination of such class of SNP Instruments.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

SCHEDULE 2

ACTION TO BE TAKEN BY COMMON DEPOSITARIES/SAFEKEEPERS, THE CSDs AND REGISTRARS FOLLOWING THE MAKING OF THIS INSTRUMENT

Introduction

1. This Schedule describes the procedures to be followed by the common depositaries/safekeepers, the CSDs and the registrars, in respect of the CEs, the AT1 Instruments, the Tier 2 Instruments, the Preference Shares and the SNP Instruments following the making of this Instrument.
2. This Schedule forms part of this Instrument.
3. Terms not otherwise defined in this Schedule have the meanings given to such terms in Paragraph 3 of Part 1 of this Instrument.
4. The actions described in this Schedule are to be taken by the relevant entity immediately following notification by the Bank of England on behalf of [Bank] of the making of this Instrument.

Registrar for the CEs

5. The Registrar or its agent shall authenticate the Master CE Certificate in respect of such class of CEs.
6. The Registrar or its agent shall notify [EUI as operator of CREST] [the CSDs] immediately following completion of such authentication.

Common depositaries/safekeepers for the AT1 Instruments and the Tier 2 Instruments

7. The common depositaries/safekeepers for the AT1 Instruments and the Tier 2 Instruments shall cancel the global notes in respect of the relevant AT1 Instruments and the relevant Tier 2 Instruments and shall deliver such cancelled global notes to [Bank] for destruction.
8. The common depositaries for the AT1 Instruments and the Tier 2 Instruments shall notify the [EUI as operator of CREST] [the CSDs] immediately following completion of such cancellations of the relevant global notes.

Share registrars

9. The Share Registrar shall record in the Share Register the transfer of the Shares to the Depositary or its nominee as holder of Shares in accordance with the Uncertificated Securities Regulations 2001 and shall cancel all share certificates in respect of the Shares in existence at the Resolution Time except where the person shown on the records of the relevant CSD as entitled to the relevant instrument has agreed to sell that instrument and the sale transaction has at the Resolution Time reached the point at

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

which it is irrevocable and will be settled in accordance with the rules or practice of the relevant CSD.

10. The registrars for the Preference Shares shall record in the registers in respect of the Preference Shares the cancellation of the Preference Shares and shall cancel all share certificates in respect of the Preference Shares in existence at the Resolution Time.⁹⁰
11. The [registrars] [common depositaries] [custodians] in respect of the Preference Shares shall notify [EUI as operator of CREST] [the CSDs] immediately following completion of such cancellations.

Common depositaries/safekeepers for the SNP Instruments

12. [The common depositaries/safekeepers for each class of SNP Instruments shall amend the global notes in respect of such instruments to reflect the reductions in the [aggregate principal amount outstanding] of such class of SNP Instruments effected by Paragraph [33] of the Instrument.
13. The common depositaries/safekeepers for each class of SNP Instruments shall notify [EUI as operator of CREST] [the ICSDs] [all other relevant CSDs] immediately following completion of such amendments to and reductions in the relevant global notes.]⁹¹

EUI

14. EUI shall reflect in its records that all Shares not in uncertificated form immediately prior to the Resolution Time are converted into uncertificated form, that from the Resolution Time all the Shares are in uncertificated form and that the [Depository] [Custodian] is the holder of the Shares transferred by this Instrument.

CSDs

15. Each of the CSDs shall, with effect from the Resolution Time until account holders' records have been updated in accordance with Paragraph [16] of this Schedule, suspend settlement of the AT1 Instruments, the Tier 2 Instruments, the Preference Shares, and the SNP Instruments except where the person shown on the records of the relevant CSD as entitled to the relevant instrument has agreed to sell that instrument and the sale transaction has at the Resolution Time reached the point at which it is irrevocable and will be settled in accordance with the rules or practice of the relevant CSD.
16. Each CSD shall, having regard to Paragraph [15] of this Schedule, update the records relating to accounts of account holders which held the AT1 Instruments, the Tier 2

⁹⁰ If Preference Shares are held by custodians/depositaries, provision should be included to provide for such custodians in respect to deliver the share certificates in respect of the cancelled Preference Shares to [Bank] for destruction.

⁹¹ This provision is relevant if there is an immediate partial bail-in of the SNP Instruments. See [Option 1] in Paragraph [33] of this Template Resolution Instrument.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Instruments, the Preference Shares, [and the SNP Instruments]⁹² immediately before the Resolution Time:

- (a) to reflect the reduction to zero of the principal amount repayable to an account holder under any relevant AT1 Instrument or Tier 2 Instrument and the cancellation of the accrued and unpaid interest in respect of such AT1 Instruments and Tier 2 Instruments up to but excluding the day on which the Resolution Time occurs and the cancellation of that instrument;
 - (b) to reflect the cancellation of the Preference Shares;
 - (c) [to reflect the reduction in the [principal amount repayable] to an account holder under any SNP Instrument [and the cancellation of the accrued and unpaid interest in respect of such SNP Instrument up to but excluding the day on which the Resolution Time occurs],⁹³
 - (d) [to reflect the transfer of the SNP Instruments to the Depositary];⁹⁴
 - (e) to reflect the number of and the ISINs in respect of each class of CEs required to be credited to the account of each relevant account holder by virtue of this Instrument.
17. Each of the CSDs shall maintain and update the records of account holders to reflect transfers of CEs from time to time from and including the Resolution Time.⁹⁵

92 This provision is relevant if there is a deferred bail-in of the SNP Instruments which are transferred to and to be held by the Depositary during the bail-in period. See [Option 2] in Paragraph [33] of this Template Resolution Instrument.

93 This provision is relevant if there is an immediate partial bail-in of the SNP Instruments. See Option 1 in Paragraph [33] of this Template Resolution Instrument.

94 This provision is relevant if there is a deferred bail-in of the SNP Instruments which are transferred to and to be held by the Depositary during the bail-in period. See Option 2 in Paragraph [33] of this Template Resolution Instrument.

95 If trading in the SNP Instruments was to be permitted, [EUI] [the ICSDs] would also need to continue to maintain and update in their records the details of the holders from time to time of the SNP Instruments in accordance with their usual procedures throughout the bail-in period.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

SCHEDULE 3

TERMS AND CONDITIONS OF THE CLASS [] CEs⁹⁶

The Class [] CEs represented by the Master CE Certificate in respect of the Class [] CEs (the “**Master Class [] CE Certificate**”) are each issued by [Name of Bank] plc [“**Bank**”] pursuant to the terms of the [Name of Bank] plc Resolution Instrument [Date] (the “**[Bank] Resolution Instrument**”).

Terms used but not defined in these CE Conditions have the meanings given to such terms in the [Bank] Resolution Instrument.

Class [] CE Holders are deemed to have notice of and be bound by all of the provisions of these terms and conditions (the “**CE Conditions**”).

Class [] CE Holders shall not be entitled directly to enforce any provision of these CE Conditions except as expressly provided for in these CE Conditions.

1. FORM, DENOMINATION, TRANSFER AND OWNERSHIP

- 1.1. The Class [] CEs are securities of [Bank] created by virtue of the [Bank] Resolution Instrument and are represented by beneficial interests in the Master Class [] CE Certificate issued by [Bank], which will be registered in the name of [] or its nominee as nominee for [the common depository/safekeeper for EUI as operator of CREST Euroclear and Clearstream] [and as nominee for DTC] and held for the account of the Class [] CE Holders through [[EUI as operator of CREST] [Euroclear and Clearstream] [and DTC]].⁹⁷
- 1.2. The Registrar shall maintain a register (the “**Register**”) to record the total number of Class [] CEs outstanding from time to time and represented by the Master Class [] CE Certificate. If the number of Class [] CEs outstanding is reduced following the cancellation of Class [] CEs in exchange for any Class [] Deposited Property, the Depository will instruct the Registrar to amend the Register accordingly. The Register shall also be updated by the Registrar to record the holder of the Master Class [] CE Certificate from time to time (the “**Holder**”). Title to the Master Class [] CE Certificate passes only upon due registration of the Holder in the Register.
- 1.3. Beneficial interests in the Master Class [] CE Certificate will be shown on, and transfers thereof will be effected only through, records maintained by [EUI as operator of CREST] [Euroclear and Clearstream] [and DTC] [and any other relevant clearing system]. Each of the persons shown in the records of [CREST] [Euroclear, Clearstream] [DTC] [and any other relevant clearing system] as being entitled to an interest in this Master Class [] CE Certificate (each an “**Accountholder**”) must look solely to [CREST] [Euroclear, Clearstream] [DTC] [and/or such other relevant clearing system] in relation to all rights arising under or in respect of this Master Class

⁹⁶ The Conditions for each class of CEs will be the same in all material respects. A separate set of CE Conditions specific to each class of CEs would be produced from this generic set of CE Conditions and attached to the relevant Master CE Certificate.

⁹⁷ Condition 1 should be amended to reflect the arrangements for the issue and holding of the Master Class [] CE Certificate with the relevant CSDs.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

[] CE Certificate [save as otherwise expressly provided by the [Bank] Resolution Instrument or any Supplemental [Bank] Resolution Instrument or [Bank] Onward Transfer Instrument]. The extent to which and the manner in which Accountholders may exercise any rights arising under or in respect of this Master Class [] CE Certificate will be determined by the respective rules and procedures of [CREST] [Euroclear, Clearstream] [DTC] [and/or such other relevant clearing system] from time to time [unless otherwise expressly provided by the [Bank] Resolution Instrument or any Supplemental [Bank] Resolution Instrument or [Bank] Onward Transfer Instrument]. Transfers of interests in this Master Class [] CE Certificate within [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] will be in accordance with their respective rules and operating procedures and holders of beneficial interests in this Master Class [] CE Certificate must rely on the procedures of the relevant clearing system with respect to such matters. None of [Bank], the Bank of England, [the Resolution Administrator,] the Registrar, the Depositary [or the Custodian] has any responsibility or liability for transfers of interests in this Master Class [] CE Certificate within [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] or for any aspect of the records of any of [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] or any of their respective participants or for maintaining, supervising or reviewing any of the records of [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] or the records of their respective participants relating to beneficial interests in this Master Class [] CE Certificate.

- 1.4. Definitive CE Certificates in respect of the Class [] CEs (“**Definitive Class [] CE Certificates**”) will not be issued in exchange for beneficial interests in the Master CE Certificate unless the Depositary has been notified that [CREST] [Euroclear or Clearstream] has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business. In such a case, [Bank] shall issue Definitive Class [] CE Certificates in respect of the entire number of Class [] CEs represented by the Master Class [] CE Certificate within [] Business] Days of the delivery by or on behalf of the common depositary/safekeeper for EUI as operator of CREST Euroclear and Clearstream] [and by on behalf of DTC] [or the holder of the Master CE Certificate if different] to the Registrar of such information as is required to complete and deliver Definitive Class [] CE Certificates (including, without limitation, the name and addresses of the persons in whose names the Class [] CEs are to be registered and the Definitive Class [] CE Certificates issued and the number of Class [] CEs to be registered in the name of each such person) and [subject to the Registrar having received any certifications required by the Master CE Certificate],⁹⁸ the [Registrar] or its agent will authenticate the Definitive Class [] CE Certificates and exchange the Definitive Class [] CE Certificates against the surrender of the Master Class [] CE Certificate as soon as practicable and upon payment by Class [] CE Holders of any relevant fees.
- 1.5. None of the Bank of England, [the Resolution Administrator,] [CREST] [Euroclear, Clearstream], [DTC,] the Depositary, the Registrar [or the Custodian] shall have any responsibility to monitor or ascertain the compliance of any transactions in the Class [] CEs or any of the Class [] Deposited Property held in the CE Programme with any selling or ownership restriction.

⁹⁸ To be included depending on the certification required to comply with US securities law requirements.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

2. EXCHANGE OF CLASS [] CES FOR CLASS [] DEPOSITED PROPERTY

- 2.1. On any Business Day during the Allocation Period the Depositary may provide to the Bank of England an Onward Transfer Request providing details of the Class [] Entitlement of the Class [] CE Holders details of which are specified therein. If a Class [] CE Holder is the holder more than one class of CEs (a “**Multiple Class Holder**”), the Depositary may aggregate the entitlements in respect of each class of CEs held by such person in such Onward Transfer Request.
- 2.2. [As soon as practicable] following the receipt of an Onward Transfer request, the Bank of England may make a [Bank] Onward Transfer Instrument transferring the relevant Deposited Property to the accounts of the relevant Class [] Holders with [the relevant CSDs] in accordance with the [Bank] Resolution Instrument.

3. SALE OF SHARES AND OTHER DEPOSITED PROPERTY

- 3.1. Upon the occurrence of a Sale Event, [Bank] shall, unless instructed to the contrary by the [Bank of England] [Resolution Administrator], direct the Depositary to sell in accordance with the procedures described in this Class [] CE Condition all the Shares in the CE Programme [and any other securities comprised in the Deposited Property to which holders of Class [] CEs are entitled] which have not been transferred under a [Bank] Onward Transfer Instrument (together the “**Sale Securities**”).
- 3.2. Within [] days of the Allocation Expiration Date, the [Depositary] shall appoint a broker [(which should be approved by the [Bank of England] [Resolution Administrator] in advance of any such appointment)] on such terms as [Bank] shall direct [and at the expense of [Bank] to sell all Sale Securities in accordance with all applicable laws and rules. None of the Bank of England, the Resolution Administrator or the Depositary shall have any liability in respect of losses or expenses arising out of the conduct of the sale or in respect of any price obtained [(save, in the case of the Depositary, in respect of the Depositary’s wilful default, gross negligence or bad faith)].
- 3.3. [If following the expiration of the Allocation Period a takeover offer in respect of [Bank] is accepted by a holders of more than 50 per cent of the Shares at the time of the offer (excluding any Shares held by or on behalf the Depositary) [or a scheme of arrangement under Sections 895 to 899 of the Companies Act is approved by the requisite shareholder majorities (but excluding Shares held by the Depositary) and it remains possible for any offer in connection with such scheme of arrangement to be accepted], the Depositary will accept the offer in respect of Shares that remain in the CE Programme [unless instructed to the contrary by the [Bank of England] [Resolution Administrator]].]⁹⁹
- 3.4. The Depositary shall credit the Cash Account with the proceeds of sale of the Sale Securities sold under Class [] CE Condition 3.2 after deducting all costs and expenses incurred by the Depositary in connection with such sale (the “**net proceeds of sale**”).

⁹⁹ To be considered whether takeover risk needs to be addressed in view of the short time window in which a takeover offer could be made i.e. the period in which a proportion of Shares are still held by the Depositary but voting rights are no longer controlled by the Resolution Administrator, which would be the period following the end of the Allocation Period after one or more Onward Transfer Instruments has been made and the bulk (i.e. more than 50% per cent.) of the Shares have been transferred to CE Holders and prior to the date the Shares which remain held by the Depositary are sold under CE Condition [3.2]. If this is not considered to be a concern in the particular case, this provision should be deleted.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Each Class [] CE Holder in respect of whose Class [] Entitlement Shares have been sold shall be entitled to:

- (1) such proportion of the total amount of the net proceeds of sale of Shares credited to the Cash Account as is equal to the proportion that the number of Shares to which that Class [] CE Holder's Class [] CEs relate which were comprised in the Sale Securities bears to the total number of Shares which were sold, rounded down to the nearest [£1]; and
- (2) in the case of any other securities comprised in the Sale Securities, to such proportion of the total amount of the net proceeds of sale of such other securities credited to the Cash Account as is equal to the proportion that the net proceeds of sale of such other securities to which that Class [] CE Holder's Class [] CEs relate which were comprised in the Sale Securities bears to the total net proceeds of sale of such other securities which were sold, rounded down to the nearest [£1].¹⁰⁰

The relevant proportion of the net proceeds of sale to which a Class [] CE Holder is entitled together with, in the case of any Class [] CE Holder which is a Multiple Class Holder, the relevant proportion of the net proceeds of sale of Shares and of any other securities comprised in the Sale Securities relating to any other class of CEs determined in respect of each other class of CEs to which such Multiple Class Holder was entitled, will be paid to such Class [] CE Holder or Multiple Class Holder, as applicable, by the Depositary transferring the relevant proportion of the net proceeds of sale to the cash account of such Class [] CE Holder or Multiple Class Holder as applicable, with the CSD with which such Class [] CE Holder or Multiple Class Holder held its CEs. Balances standing to the credit of the cash account will not earn interest.

- 3.5. Following the sale of the Shares [and any other securities comprised in the Deposited Property to which the Class [] CEs relate] under Condition 3.2 or 3.3 any net proceeds of sale and any other cash amounts in respect of Class [] CEs not distributed to Class [] CE Holders shall be held on trust by the [Depositary] in a non-interest bearing account until such time as the Depositary shall receive instructions from the Bank of England to transfer or pay such amounts as the Bank of England may direct.

4. CASH DISTRIBUTIONS

If the Depositary shall receive from [Bank] any dividend or other cash distribution in respect of the Shares or any dividend, cash distribution or payment of interest or principal in respect of any other Deposited Property held by or on behalf of the Depositary, the Depositary shall pay such amount into the Cash Account and hold such amount in accordance with the [Bank] Resolution Instrument, any Supplemental [Bank] Resolution Instrument and the Deposit Agreement.

5. DISTRIBUTIONS IN SPECIE

If [Bank] makes any bonus issue, scrip dividend or other distribution of Additional Shares to the Depositary, such Additional Shares shall form part of the Deposited Share Property and

100 The rounding thresholds indicated are illustrative only.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

shall be held by the Depository in accordance with the [Bank] Resolution Instrument, any Supplemental [Bank] Resolution Instrument and the Deposit Agreement.

6. TRANSFER RESTRICTIONS

UK

6.1. Under the [Bank] Resolution Instrument and these CE Conditions, each Class [] CE Holder is deemed to have agreed and undertaken that the Class [] CEs may not be offered, sold, transferred or otherwise made available to and should not be offered, sold, transferred or otherwise made available to any retail investor in the United Kingdom (the “UK”).

6.2. For these purposes:

(a) a retail investor means a person who is one (or both) of:

(i) not 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 of the UK by virtue of the European Union (Withdrawal) Act 2018; or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admission to Securities Regulations 2024; and

(b) the expression “offer” includes the communication in any form any by any means of sufficient information on the terms of the offer the CEs to be offered so as to enable an investor to decide to buy the CEs.

EEA

6.3. Under the [Bank] Resolution Instrument and the CE Conditions, each Class [] CE Holder is deemed to have agreed and undertaken that Class [] CEs may not be offered, sold, transferred or otherwise made available to and should not be offered, sold transferred or otherwise made available to any retail investor in the European Economic Area (the “EEA”).

6.4. For these purposes, a retail investor means a person who is one (or more) of:

(a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or

(b) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or

(c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended) (the “EU Prospectus Regulation”).

6.5. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “EU PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been

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prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation. No key information document pursuant to the PRIIPS Regulation has been or will be prepared by [Bank].

USA

6.6. The Class [] CEs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, or otherwise transferred except:

- (a) in accordance with Rule 144A under the Securities Act (“Rule 144A”) to a person that the CE Holder and any person acting on its behalf reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A (a “QIB”) purchasing for its own account or for the account of a QIB whom the holder has informed, in each case, that such offer, sale, or transfer is being made in reliance on Rule 144A; or**
- (b) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act (“Regulation S”); or**
- (c) pursuant to another exemption from, or in a transaction not subject to, registration under the Securities Act.**

6.7. Under the [Bank] Resolution Instrument and these CE Conditions, each Class [] CE Holder is deemed to have agreed and undertaken that:

- (a) it will not offer, sell or otherwise transfer any Class [] CE except:**
 - (1) to [Bank];**
 - (2) pursuant to a registration statement which has been declared effective under the Securities Act;**
 - (3) for so long as the Class [] CEs are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act;**
 - (4) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; or**
 - (5) pursuant to any other available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act: and**
- (b) it will give to each person to whom any Class [] CE is transferred a notice substantially to the effect of this Condition; provided that [Bank], the Bank of England and the Registrar shall have the right prior to any such offer, sale or transfer pursuant to clause (5) to require that an opinion of**

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counsel, certifications and/or other information satisfactory to [Bank], the Bank of England and the Registrar are completed and delivered by the transferor.

As used herein, the terms “Offshore Transaction” and “United States” have the meanings given to them by Regulation S under the Securities Act.

6.8. [Bank], the Bank of England or the Registrar may require any proposed transferee of a Class [] CE to certify their status in writing for the purposes of the Securities Act or for the purpose of UK or EEA law or any other relevant securities laws or regulations prior to any transfer.

6.9 The CEs held by any Class [] CE Holder to which Class [] CEs are found to have been transferred in contravention of the restrictions on selling, offering, transferring or otherwise making available Class [] CEs contained in these CE Conditions will cease to be exchangeable and all Deposited Property corresponding thereto will continue to be held by or on behalf of the Depository in accordance with these CE Conditions until a Sale Event occurs whereupon any Deposited Property not in the form of sterling cash will be sold in accordance with Class [] CE Condition [3].

6.10. If issued in definitive form, each Definitive Class [] CE Certificate will include these restrictions amended as appropriate to take account of the issue of Definitive CE Certificates.

6.11. None of the Bank of England, the Resolution Administrator, the Depository, the Registrar [or the Custodian] will have any responsibility for verifying compliance by Class [] CE Holders with the restrictions on selling, offering, transferring or otherwise making available Class [] CEs contained in these CE Conditions.

7. REPLACEMENT OF CERTIFICATES OF ENTITLEMENT IN DEFINITIVE FORM

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

8. VOTING RIGHTS

8.1. Prior to the Voting Rights Transfer Date, voting rights in respect of all Shares [(including any Shares which have been exchanged for Class [] CEs in accordance with Condition 2 and are no longer held by or on behalf of the Depository)] will be exercisable only by the [Resolution Administrator].¹⁰¹

¹⁰¹ See Paragraph [62] of this Template Resolution Instrument. The reference to Shares which have been exchanged for CEs would only be relevant if transfers of Shares to CE Holders was to occur in stages using more than one Onward Transfer Instrument and it would be possible for Shares representing less than 50 per cent. of the voting rights in respect of all Shares to be so transferred.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

- 8.2. Voting rights in respect of Shares that are held by or for the Depositary after the Voting Rights Transfer Date will be exercisable only by the [Resolution Administrator].

9. LIABILITY

- 9.1. None of the Depositary, the Registrar [or the Custodian] shall be responsible to anyone with respect to the validity of their appointment, the Deposit Agreement, the Registrar Agreement [and the Custody Agreement] (together the “**Appointment Agreements**”) or the CEs of any class for any act or omission by it in connection with the Appointment Agreements or any CE except in each case for its own wilful default, gross negligence or bad faith, including that of its officers, directors and employees.
- 9.2. None of the Depositary, the Registrar [or the Custodian] or any of its respective agents, officers or directors or employees shall incur any liability to any Class [] CE Holder, any Multiple Class Holder, [Bank], the Bank of England, [the Resolution Administrator] or any other person if, by reason of any provision of any present or future law or regulation of England and Wales or of any relevant governmental authority, or by reason of the interpretation or application of any such present or future law or regulation or any change therein, or by reason of any other circumstances beyond their control, any of them shall be prevented, delayed or forbidden from doing or performing any act or thing which the terms of these CE Conditions or the Deposit Agreement [or the Custody Agreement] provide shall or may be done or performed.
- 9.3. None of the Depositary, [the Custodian] or the Registrar shall be liable (except by reason of its own wilful default, gross negligence or bad faith or that of its agents, officers, directors or employees) to any Class [] CE Holder, any Multiple Class Holder [any holder of SNP Instruments,] [any holder of New Debt Instruments,] [Bank,] the Bank of England, [the Resolution Administrator] or any other person by reason of having accepted as valid, or not having rejected, any document relating to Shares or other Deposited Property or Class [] CEs subsequently found to be forged or not authentic for its failure to perform any obligations under these CE Conditions.
- 9.4. Notwithstanding anything else contained in the Deposit Agreement [the Registrar Agreement] [or the Custody Agreement] or these CE Conditions, the Depositary [the Custodian] may refrain from doing anything which could or might, in its reasonable opinion, be contrary to any law of any jurisdiction or any directive or regulation of any agency or state or which would or might otherwise render it liable to any person and the Depositary [the Custodian] may do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- 9.5. Notwithstanding anything to the contrary contained in these CE Conditions, the Depositary [the Custodian] shall not be liable in respect of any loss or damage which arises out of or in connection with the performance, delayed performance or non-performance of or the exercise or attempted exercise of, or the failure to exercise any of, its powers or discretions under these CE Conditions or the Deposit Agreement, the Registrar Agreement [or the Custody Agreement], except to the extent that such loss or damage arises from its own wilful default, gross negligence or bad faith or that of its agents, officers, directors or employees.
- 9.6. No provision of these CE Conditions or the Deposit Agreement, the Registrar Agreement [or the Custody Agreement] shall require the Depositary [the Custodian]

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if, acting reasonably, it shall believe that repayment of such funds or adequate indemnity and security against such risk of liability is not assured.

- 9.7. Save as otherwise provided in these CE Conditions, the Deposit Agreement, [the Custody Agreement] or the [Bank] Resolution Instrument or any Supplemental [Bank] Resolution Instrument or any [Bank] Onward Transfer Instrument, none of the Depository, the Registrar, [the Custodian] nor any of their respective agents, officers, directors or employees shall be liable to the Bank of England, [the Resolution Administrator], [Bank], any Class [] CE Holder, or any person with an interest in a Class [] CE or Share or other Deposited Property any Multiple Class Holder or any other person for any indirect, special, punitive or consequential loss or damage of any kind whatsoever whether arising as a matter of contract, tort, negligence or otherwise (including, but not limited to, lost profit, goodwill, reputation, business opportunity or anticipated saving), whether or not foreseeable, even if any of the Depository, the Registrar, [the Custodian] or any of their respective agents, officers, directors or employees (as the case may be) has been advised of the likelihood of such loss or damage and regardless of whether the claim for loss or damage is made in negligence, for breach of contract, breach of trust or otherwise.

10. FINANCIAL CRIME AND SANCTIONS COMPLIANCE

No provision of these CE Conditions or the Deposit Agreement, the Registrar Agreement [or the Custody Agreement] shall require the Depository [the Custodian] to [take any step that it reasonably believes would] violate any laws or regulations applicable to it concerned with sanctions or the prevention of financial crime, including (without prejudice to the generality of the forgoing) the Proceeds of Crime Act 2002, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Sanctions and Anti-Money Laundering Act 2018 (and regulations made thereunder).

11. TAXATION

If any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom of Great Britain and Northern Ireland or any political subdivision therein or any authority therein or thereof having power to tax is required by law to be made in respect of any payment or distribution of cash in respect of the Class [] CEs or the Deposited Property or the sale of any Shares or other Deposited Property, such payment or distribution shall be made net of such deduction or withholding and no additional amount shall be payable by any person in respect of such withholding or deduction.

12. AMENDMENTS

- 12.1. The Class [] CEs, these CE Conditions and the provisions of the Deposit Agreement, the Registrar Agreement [and the Custody Agreement] and any other agreement relating to the CP Programme may be amended or modified without the consent of the holders of the Class [] CEs or the CEs of any other class to correct a manifest error or if such amendment or modification is of a formal, minor or technical nature or is not, in the opinion of the Bank of England or the Resolution Administrator, materially prejudicial to the interests of the Class [] CEs.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

12.2. Without prejudice to Condition 12.1, the Bank of England may at any time by a Supplemental [Bank] Resolution Instrument make any modification to this Instrument, any Supplemental [Bank] Resolution Instrument, any [Bank] Onward Transfer Instrument, the Master Class [] CE Certificate, the Class [] CEs, these CE Conditions, any other Master CE Certificate, the CEs of any other class, the conditions relating thereto, [the Deposit Agreement, the Registrar Agreement, [the Custody Agreement] or any other agreement relating to the CE Programme which it considers necessary or desirable.

13. RESIGNATION AND TERMINATION OF APPOINTMENT OF DEPOSITARY

13.1. The [Resolution Administrator] [or [Bank]] with the prior written approval of the Bank of England may terminate the appointment of the Depositary with immediate effect or with such period of notice as it may specify in writing and for any or no reason. The Depositary may resign as Depositary by giving at least [90] calendar days' prior notice in writing to [the Resolution Administrator,] [Bank] and the Bank of England.

13.2. The termination of the appointment of the Depositary may be effected by the [Resolution Administrator] [or by [Bank]] with the prior written approval of the Bank of England serving a termination notice on the Depositary specifying the date on which the termination is to take effect; provided that, where the termination notice is served by [Bank], the termination of the appointment of the Depositary shall not become effective until a successor depositary has been appointed and such appointment has become effective. If the appointment of a successor depositary has not become effective within [90] calendar days after the notice of termination of appointment, the Depositary may, at the expense of [Bank], identify a successor depositary, being a leading international bank or an affiliate thereof and [Bank] shall, within [45] calendar days after the Depositary has notified [Bank] of the person identified, appoint such person as a successor depositary.

13.3. The resignation of the Depositary shall take effect on the date specified in the relevant notice provided that the Depositary shall be required to remain as depositary until [the Resolution Administrator] [Bank] has appointed a successor depositary approved by the Bank of England and such appointment has become effective. If the appointment of a successor depositary has not become effective within [90] calendar days after the notice of resignation, the Depositary may, at the expense of [Bank], identify a successor depositary, being a leading international bank or any affiliates thereof and [Bank] shall, within [45] calendar days after the Depositary has notified [Bank] of the person identified, appoint such person as a successor depositary.

13.4. Upon the termination of appointment or resignation of the Depositary, the Depositary shall, at the expense of [Bank], deliver to any successor depositary sufficient information and records to enable such successor efficiently to perform its obligations under these Conditions and, at the expense of [Bank], shall take or refrain from taking any step as directed by [the Resolution Administrator or] [Bank] in order to effect the transition to a new depositary.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

14. NOTICES

All notices to Class [] CE Holders and Class [] CE Beneficiaries shall be validly given if mailed to them at their respective addresses or furnished to them by electronic transmission through the relevant CSD. Any such notice shall be deemed to have been given on the seventh day after being so mailed or in the case of electronic transmission, when delivered.

15. GOVERNING LAW AND JURISDICTION

15.1. The Class [] CEs, these Conditions and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

15.2. The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the Class [] CEs and these Conditions (including non-contractual disputes or claims).

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce these Conditions under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that these Conditions expressly provide.

17. ASSIGNMENT AND TRANSFER

None of the Depository, the Registrar [or the Custodian] may assign or transfer any of its rights or obligations under these Conditions or the Appointment Agreements without the prior written consent of the Bank of England.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

ANNEX

FORM OF MASTER CLASS [] CE CERTIFICATE

ISIN: []

[NAME OF BANK] PLC
(Incorporated under the laws of England and Wales
as a public limited company)

MASTER CLASS [] CE CERTIFICATE
relating to Class [] Deposited Property

THIS IS TO CERTIFY (1) by virtue of the [*Name of Bank*] plc Resolution Instrument [date] made by the Bank of England (the “[**Bank**] **Resolution Instrument**”), the Shares [and the SNP Instruments]¹⁰² have been transferred to the Depository [the Custodian on behalf of the Depository] and (2) [] as nominee for the [Depository] [Custodian] [and as common depository [common safekeeper] for [CREST] [Euroclear and/or Clearstream]]¹⁰³ is entered as the holder (the “**Holder**”) of this Master Class [] CE Certificate in a register maintained by the Registrar in its books and records (the “**Register**”).

This Master Class [] CE Certificate represents such number of Class [] Certificates of Entitlement (the “**Class [] CEs**”) shown from time to time in the Register being on the date of issue of this Master Class [] CE Certificate [●] Class [] CEs.

Any capitalised terms used but not defined herein are used as defined in the [Bank] Resolution Instrument or the [terms and conditions of the Class [] CEs (the “**Class [] CE Conditions**”) contained in Schedule [3] to the [Bank] Resolution Instrument.

This Master Class [] CE Certificate is evidence of entitlement only. Title to this Master Class [] CE Certificate passes only upon due registration of the Holder in the Register and only the duly registered Holder is entitled to rights in respect hereof. All rights of the Holder of this Master Class [] CE Certificate are expressly subject to the provisions of the [Bank] Resolution Instrument, [any Supplemental [Bank] Resolution Instrument and any [Bank] Onward Transfer Instrument] and the Class [] CE Conditions, all of which form a part of the contract evidenced by this Master Class [] CE Certificate and to all of which the Holder hereof assents by accepting this Master Class [] CE Certificate.

Each of the persons shown in the records of [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] as being entitled to an interest in this Master Class [] CE

¹⁰² To be included in the case of a deferred bail-in. See Footnote [7] and Footnote [11].

¹⁰³ To be completed depending on the CDS/ICDS into which CEs are to be issued and the applicable requirements of the CDS/ICDS.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

Certificate (each an “**Accountholder**”) must look solely to [CREST] [Euroclear, Clearstream] [DTC] [and/or such other relevant clearing system] in relation to all rights arising under or in respect of this Master Class [] CE Certificate [save as otherwise expressly provided by the [Bank] Resolution Instrument or any Supplemental [Bank] Resolution Instrument or [Bank] Onward Transfer Instrument]. The extent to which and the manner in which Accountholders may exercise any rights arising under or in respect of this Master Class [] CE Certificate will be determined by the respective rules and procedures of [CREST] [Euroclear, Clearstream] [and/or such other relevant clearing system] from time to time [unless otherwise expressly provided by the [Bank] Resolution Instrument or any Supplemental [Bank] Resolution Instrument or [Bank] Onward Transfer Instrument]. Transfers of interests in this Master Class [] CE Certificate within [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] will be in accordance with their respective rules and operating procedures and holders of beneficial interests in this Master Class [] CE Certificate must rely on the procedures of the relevant clearing system with respect to such matters. None of [Bank], the Bank of England, the Resolution Administrator, the Registrar, the Depository [or the Custodian] has any responsibility or liability for transfers of interests in this Master Class [] CE Certificate within [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] or for any aspect of the records of any of [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] or any of their respective participants or for maintaining, supervising or reviewing any of the records of [CREST] [Euroclear, Clearstream] [DTC] [or any other relevant clearing system] or the records of their respective participants relating to beneficial interests in this Master Class [] CE Certificate.

The Class [] CE Holders are not parties to the Conditions and thus, under English law, have no contractual rights against, or obligations to, [Bank] or the Bank of England [or the Resolution Administrator] under the Class [] Conditions. None of the Registrar, the Depository [or the Custodian] is under any duty to enforce any of the provisions of the Class [] CE Conditions on behalf of the Holder or any Class [] CE Holder.

Definitive Class [] CE Certificates shall be issued only in the limited circumstances referred to in Class [] CE Condition [1.4]. If required to be issued, Definitive Class [] CE Certificates shall be issued in accordance with the [Bank] Resolution Instrument, the Registrar Agreement and the Deposit Agreement.

[A Class [] CE evidenced by a Definitive Class [] CE Certificate will be eligible for clearing and settlement through [CREST] [Euroclear] [Clearstream] [and DTC].]¹⁰⁴

Upon any exchange of this Master Class [] CE Certificate for Class [] Deposited Property or any reduction in the number of Class [] CEs following any exchange of Class [] CEs for Class [] Deposited Property, in each case pursuant to the [Bank] Resolution Instrument, any Supplemental [Bank] Resolution Instrument or [Bank] Onward Transfer Instrument and the Class [] CE Conditions, the relevant details shall be entered on the Register, whereupon the number of Class [] CEs represented by this Master Class [] CE Certificate shall be reduced for all purposes by the amount so exchanged and reduced and entered on the Register; PROVIDED ALWAYS THAT if the number of Class [] CEs evidenced by this Master Class [] CE Certificate is reduced to zero this Master Class [] CE Certificate shall continue in existence until the obligations of [Bank] and the Depository under the [Bank] Resolution Instrument and the Conditions have terminated.

¹⁰⁴ To be confirmed with the relevant CSDs.

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

[Upon the creation of any additional Class [D] CEs in the event of a further reduction and conversion of SNP Instruments pursuant to a Supplemental [Bank] Resolution Instrument, the relevant details shall be entered on the Register whereupon the number of Class [D] CEs represented by this Master Class [D] CE Certificate shall be increased for all purposes by the number of additional Class [D] CEs so created and entered on the Register.]¹⁰⁵

UK

6.1 Under the [Bank] Resolution Instrument and the CE Conditions, each Class [] CE Holder is deemed to have agreed and undertaken that the Class [] CEs may not be offered, sold, transferred or otherwise made available to and should not be offered, sold, transferred or otherwise made available to any retail investor in the United Kingdom (the “UK”).

6.2 For these purposes:

- (a) a retail investor means a person who is one (or more) of:**
- (i) not 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 of the UK by virtue of the European Union (Withdrawal) Act 2018; or**
 - (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admission to Trading Regulations 2024; and**
- (b) the expression “offer” includes the communication in any form any by any means of sufficient information on the terms of the offer the CEs to be offered so as to enable an investor to decide to buy the CEs. EEA**

6.3 Under the [Bank] Resolution Instrument and the CE Conditions, each Class [] CE Holder is deemed to have agreed and undertaken that Class [] CEs may not be offered, sold, transferred or otherwise made available to and should not be offered, sold transferred or otherwise made available to any retail investor in the European Economic Area (the “EEA”).

6.4 For these purposes, a retail investor means a person who is one (or more) of:

- (a) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or**
- (b) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or**
- (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended) (the “EU Prospectus Regulation”).**

¹⁰⁵ This paragraph should only be included in the case of the Master Class [D] CE Certificate if there is an immediate bail-in and there may be a subsequent additional bail-in. See Footnote [7].

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

6.5 Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “EU PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPS Regulation. No key information document pursuant to the PRIIPs Regulation has been or will be prepared by [Bank].

USA

6.6 The Class [] CEs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, or otherwise transferred except:

(a) in accordance with Rule 144A under the Securities Act (“Rule 144A”) to a person that the CE Holder and any person acting on its behalf reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A (a “QIB”) purchasing for its own account or for the account of a QIB whom the holder has informed, in each case, that such offer, sale, or transfer is being made in reliance on Rule 144A; or

(b) outside the United States in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act (“Regulation S”); or

(c) pursuant to another exemption from, or in a transaction not subject to, registration under the Securities Act

6.7 Under the [Bank] Resolution Instrument and the CE Conditions, each Class [] CE Holder is deemed to have agreed and undertaken that:

(a) it will not offer, sell or otherwise transfer any Class [] CE except:

(1) to [Bank];

(2) pursuant to a registration statement which has been declared effective under the Securities Act;

(3) for so long as the Class [] CEs are eligible for resale pursuant to Rule 144A under the Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act;

(4) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act; or

(5) pursuant to any other available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act: and

(2) it will give to each person to whom any Class [] CE is transferred a notice substantially to the effect of this legend; provided that [Bank], the Bank of England and the Registrar shall have the right prior to any such offer, sale or transfer pursuant to clause (5) require

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

that an opinion of counsel, certifications and/or other information satisfactory to [Bank], the Bank of England and the Registrar are completed and delivered by the transferor.

As used herein, the terms “Offshore Transaction” and “United States” have the meanings given to them by Regulation S under the Securities Act.

6.8 [Bank], the Bank of England or the Registrar may require any proposed transferee of a Class [] CE to certify their status in writing for the purposes of the Securities Act or for the purpose of UK or EEA law or any other relevant securities laws or regulations prior to any transfer.

6.9 The CEs held by any Class [] CE Holder to which Class [] CEs are found to have been transferred in contravention of the restrictions on selling, offering, transferring or otherwise making available Class [] CEs contained in these CE Conditions will cease to be exchangeable and all Deposited Property corresponding thereto will continue to be held by or on behalf of the Depository in accordance with these CE Conditions until a Sale Event occurs whereupon any Deposited Property not in the form of sterling cash will be sold in accordance with Class [] CE Condition [3].

Dated [] [] 20[]

[Bank] plc

By: _____

Authorised Signatory

Authenticated

[]

By: _____

Authorised Signatory

Authenticated without recourse, warranty or liability

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

[SCHEDULE 4

TERMS AND CONDITIONS OF THE NEW DEBT INSTRUMENTS]¹⁰⁶

DRAFT

¹⁰⁶ To be included only if New Debt Instruments are to be created. See Footnote [7].

TEMPLATE BAIL-IN RESOLUTION INSTRUMENT (CERTIFICATES OF ENTITLEMENT)

EXPLANATORY NOTE

[An explanatory note would be included in the Resolution Instrument as made and would be a description of the Resolution Instrument made in a particular case. It would be analogous to the kind of explanatory note which sometimes accompanies a statutory instrument and would briefly describe the purpose and key provisions of the Resolution Instrument. The explanatory note would not be part of the Resolution Instrument.]

DRAFT