

**(f) Rounding Down and Notice of Adjustment to the Conversion Price**

On any adjustment, the resultant Conversion Price, if a number that is of more decimal places than the initial Conversion Price, shall be rounded to such decimal place. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.

Notice of any adjustments to the Conversion Price shall be given by LBG to ECN Securityholders promptly after the determination thereof.

The Conversion Price shall not in any event be reduced to below the nominal value of the Ordinary Shares. LBG undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.

**(g) Qualifying Relevant Event**

(i) If a Qualifying Relevant Event shall occur, the ECNs shall, where the Conversion Date falls on or after the New Conversion Condition Effective Date, be converted into Relevant Shares of the Approved Entity, mutatis mutandis as provided in accordance with this Deed Poll, at a Conversion Price that shall be initially the New Conversion Price and where the principal amount of the ECNs (where relevant) shall be translated into pounds sterling at the Prevailing Rate on the second London business day prior to the relevant Conversion Date.

(ii) The New Conversion Price shall be subject to adjustment in the circumstances provided in this Deed Poll (with such modifications and amendments as an Independent Financial Adviser acting in good faith shall determine to be appropriate) and LBG shall give notice to ECN Securityholders of the New Conversion Price and of any such modifications and amendments.

(iii) In the case of a Qualifying Relevant Event:

(1) LBG shall, on or prior to the New Conversion Condition Effective Date, enter into such agreements and arrangements, which may include deeds supplemental to this Deed Poll, and such amendments and modifications to this Deed Poll shall be made to ensure that, with effect from the New Conversion Condition Effective Date, the ECNs shall be convertible into, or exchangeable for, Relevant Shares of the Approved Entity, mutatis mutandis in accordance with, and subject to, this Deed Poll (as may be so supplemented, amended or modified) at an initial Conversion Price equal to the New Conversion Price;

(2) LBG shall, where the Conversion Date falls on or after the New Conversion Condition Effective Date, procure the issue and/or delivery of the relevant number of Relevant Shares in the manner provided in this Deed Poll, as may be supplemented, amended or modified as provided above.

(iv) Within 10 calendar days following the occurrence of a Relevant Event, LBG shall give notice thereof to the ECN Securityholders (a "**Relevant Event Notice**").

The Relevant Event Notice shall specify:

(1) the identity of the Acquiror;

(2) whether the Relevant Event is a Qualifying Relevant Event or a Non-Qualifying Relevant Event;

(3) in the case of a Qualifying Relevant Event, if determined at such time, the New Conversion Price;

- (4) *in the case of a Non-Qualifying Relevant Event where the Acquiror is an Approved Entity, that, with effect from the date falling eight days following the occurrence of the Relevant Event and unless the Conversion Trigger shall have occurred prior to such date, outstanding ECNs shall not be subject to Conversion at any time notwithstanding that a Conversion Trigger may occur subsequently; and*
- (5) *in the case of a Non-Qualifying Relevant Event where the Acquiror is not an Approved Entity, that, with effect from the occurrence of the Relevant Event and unless the Conversion Trigger shall have occurred prior to such date, outstanding ECNs shall not be subject to Conversion at any time notwithstanding that a Conversion Trigger may occur subsequently.*
- (v) **“Acquiror”** means the person which, following a Relevant Event, controls LBG.

**“Approved Entity”** means a body corporate that is incorporated or established under the laws of an OECD member state (other than an Excepted Person) and which, on the occurrence of the Relevant Event, has in issue Relevant Shares.

**“EEA Regulated Market”** means a market as defined by Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets on financial instruments.

**“Excepted Person”** means any of:

- (i) *the United Kingdom Government;*
- (ii) *any agency of the United Kingdom Government;*
- (iii) *any person or entity (other than a body corporate) controlled by the United Kingdom Government or any such agency referred to in (ii) above; and*
- (iv) *a body corporate in which the United Kingdom Government and/or any agency of the United Kingdom Government and/or any person or entity referred to in (iii) is (directly or indirectly) the legal or beneficial owner of more than 75 per cent. of the issued Ordinary Shares (or equivalent) or of the votes that may ordinarily be cast at a general meeting of Shareholders (or the like) of such body corporate.*

The **“New Conversion Condition”** shall be satisfied if by not later than seven days following the occurrence of a Relevant Event where the Acquiror is an Approved Entity, LBG shall have entered into arrangements to its satisfaction with the Approved Entity for delivery of Relevant Shares upon a Conversion of the ECNs as provided in this Deed Poll.

**“New Conversion Condition Effective Date”** means the date with effect from which the New Conversion Condition shall have been satisfied.

**“New Conversion Price”** means the amount determined in accordance with the following formula:

$$NCP = ECP \times \frac{VWAPRS}{VWAPOS}$$

where:

**NCP** is the New Conversion Price.

**ECP** is the Conversion Price in effect on the dealing day immediately prior to the New Conversion Condition Effective Date.

**VWAPRS** means the average of the Volume Weighted Average Price of the Relevant Shares (translated, if necessary, into pounds sterling at the Prevailing Rate on the relevant dealing day) on each of the 10 dealing days ending on the dealing day prior to the date the Relevant Event shall have occurred (and where references in the definition of “Volume Weighted Average Price” to “Ordinary Shares” shall be construed as a reference to the Relevant Shares and in the definition of “dealing day”, references to the “Relevant Stock Exchange” shall be to the relevant Recognised Stock Exchange).

VWAPOS is the average of the Volume Weighted Average Price of the Ordinary Shares on each of the 10 dealing days ending on the dealing day prior to the date the Relevant Event shall have occurred.

**“Non-Qualifying Relevant Event”** means a Relevant Event that is not a Qualifying Relevant Event.

**“Qualifying Relevant Event”** means a Relevant Event where:

- (i) the Acquiror is an Approved Entity; and
- (ii) the New Conversion Condition is satisfied.

**“Recognised Stock Exchange”** means an EEA Regulated Market or another regulated, regularly operating, recognised stock exchange or securities market in an OECD member state.

A **“Relevant Event”** shall occur if any person or persons acting in concert (as defined in the Takeover Code of the United Kingdom Panel on Takeovers and Mergers) acquires control of LBG (other than as a result of an Exempt Newco Scheme).

For the purposes of the definition of “Relevant Event”, **“control”** means:

- (i) where the Acquiror is not an Excepted Person:
  - (a) the acquisition or holding of legal or beneficial ownership of more than 50 per cent. of the issued Ordinary Shares of LBG; or
  - (b) the right to appoint and/or remove all or the majority of the members of the Board of Directors of LBG, whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise; or
- (ii) where the Acquiror is an Excepted Person, the acquisition or holding of legal or beneficial ownership of 75 per cent. or more of the issued Ordinary Shares of LBG; and **“controlled”** shall be construed accordingly.

**“Relevant Shares”** means ordinary share capital of the Approved Entity that constitutes equity share capital or the equivalent (or depositary or other receipts representing the same) which is listed and admitted to trading on a Recognised Stock Exchange.

**(h) Procedure for Settlement and Delivery of Ordinary Shares on Conversion**

Ordinary Shares to be issued upon a Conversion in respect of the ECNs shall be issued and delivered subject to and as provided below.

**(i) Fractions**

Fractions of Ordinary Shares will not be issued or delivered pursuant to this Deed Poll upon a Conversion and no cash payment will be made in lieu thereof. However, if one or more Conversion Notices and relevant ECNs or Certificates representing the same (in the case of Registered ECNs) are delivered not later than the Notice Cut-off Date such that the Ordinary Shares to be issued or delivered on Conversion of ECNs are to be registered in the same name, the number of Ordinary Shares to be issued or transferred and delivered in respect thereof shall be calculated on the basis of the aggregate principal amount of such ECNs to be converted.

Where Ordinary Shares are to be issued to the Relevant Person pursuant to paragraph (j)(iii) below, the number of Ordinary Shares so to be issued and/or delivered shall be calculated on the basis of the aggregate principal amount of the ECNs to be converted in respect of which such issue or delivery is to be made.

**(j) Procedure for Delivery in respect of a Conversion upon Conversion Trigger**

- (i) In order to obtain delivery of the relevant Ordinary Shares on a Conversion of the ECNs, the relevant ECN Securityholder must (a) if the ECNs held by it are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver a duly completed Conversion Notice, together with the relevant ECNs or Certificates representing the same (in the case of Registered ECNs) to the specified office of any Paying and Conversion Agent at least five business days in the relevant place of delivery prior to the relevant Conversion Date (the **“Notice Cut-off Date”**) or (b) if the ECNs held by it are represented by a Global Security or are in definitive form and held through Euroclear