

IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (THE "UNITED STATES") OR TO ANY U.S. PERSON (AS DEFINED BELOW) OR IN OR INTO ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached tender offer memorandum (the "**Tender Offer Memorandum**") and you are therefore required to read these disclaimer pages carefully before accessing, reading or making any other use of the Tender Offer Memorandum. By accessing the Tender Offer Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Paragon Banking Group PLC (the "**Issuer**"), Barclays Bank PLC, Merrill Lynch International and UBS AG London Branch (together the "**Dealer Managers**") or Lucid Issuer Services Limited (the "**Tender Agent**") as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Tender Offer Memorandum.

THE TENDER OFFER MEMORANDUM MAY NOT BE FORWARDED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE TENDER OFFER MEMORANDUM MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES AND TO PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO SEND THE TENDER OFFER MEMORANDUM AND, IN PARTICULAR, SHOULD NOT BE FORWARDED TO ANY U.S. PERSON OR ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THESE REQUIREMENTS MAY RESULT IN A VIOLATION OF APPLICABLE LAWS.

THIS ELECTRONIC TRANSMISSION DOES NOT CONTAIN OR CONSTITUTE AN OFFER OF SECURITIES TO ANY PERSON IN THE UNITED STATES OR ANY OTHER JURISDICTION. SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES ABSENT REGISTRATION UNDER, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE SECURITIES REFERRED TO IN THE TENDER OFFER MEMORANDUM HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS.

Confirmation of your representation: In order to be eligible to view the Tender Offer Memorandum or make an investment decision with respect to the Offer (as defined below), you must be outside the United States and otherwise able to participate lawfully in the invitation by the Issuer to holders of the Notes (as defined below) to tender their Notes for purchase by the Issuer for cash (the "**Offer**") on the terms and subject to the conditions set out in the Tender Offer Memorandum, including the Offer and Distribution Restrictions set out on pages 9 to 10 thereof. The Tender Offer Memorandum was sent at your request and by accessing the Tender Offer Memorandum you shall be deemed to have represented to the Issuer, the Dealer Managers and the Tender Agent that:

- (i) you are a holder or a beneficial owner of outstanding notes forming part of the £150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2026 issued by Paragon Banking Group PLC (formerly known as The Paragon Group of Companies PLC) on 9 September 2016 bearing ISIN XS1482136154 (the "**Notes**");
- (ii) the electronic mail address that you have given to us and to which the Tender Offer Memorandum has been delivered is not located in the United States;
- (iii) you are not a Sanctions Restricted Person (as defined in the Tender Offer Memorandum);
- (iv) you are a person to whom it is lawful to send the Tender Offer Memorandum or to make an invitation pursuant to the Offer under all applicable laws, including the Offer and Distribution Restrictions referred to above;
- (v) you are not, and you are not acting for the account or benefit of, a U.S. Person as defined in Regulation S of the United States Securities Act of 1933, as amended, and you are not located or resident in the United States;
- (vi) you shall not pass on the Tender Offer Memorandum to third parties or otherwise make the Tender Offer Memorandum publicly available;

- (vii) you have understood and agreed to the terms set forth in this disclaimer; and
- (viii) you consent to delivery of the Tender Offer Memorandum to you by electronic transmission.

The Tender Offer Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Dealer Managers, the Tender Agent or any person who controls, or any director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Tender Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Tender Agent.

You are otherwise reminded that the Tender Offer Memorandum has been sent to you on the basis that you are a person into whose possession the Tender Offer Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver the Tender Offer Memorandum to any other person.

Any materials relating to the Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and any of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

The Tender Offer Memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

Restrictions: Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in the United States or any other jurisdiction in which such offer or solicitation would be unlawful.

The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer Memorandum comes are required by the Issuer, the Dealer Managers, and the Tender Agent to inform themselves about, and to observe, any such restrictions.

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (the "UNITED STATES") OR TO ANY U.S. PERSON (AS DEFINED BELOW) OR IN OR INTO ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.

This Tender Offer Memorandum does not constitute an invitation to participate in the Offer in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such offer under applicable securities laws or otherwise. The distribution of this document in certain jurisdictions (in particular, the United States, the United Kingdom, France and Italy) may be restricted by law. See "Offer and Distribution Restrictions" below. Persons into whose possession this document comes are required by the Dealer Managers and the Issuer to inform themselves about, and to observe, any such restrictions. No action that would permit a public offer has been or will be taken in any jurisdiction by the Dealer Managers or by the Issuer.

TENDER OFFER MEMORANDUM dated 15 March 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION



Invitation by

**PARAGON BANKING GROUP PLC
(formerly known as The Paragon Group of Companies PLC)**

(a company incorporated with limited liability in the United Kingdom)

(the "Issuer")

to the holders of the following notes:

Description of Notes	Issuer	ISIN / Common Code	Aggregate Principal Amount Outstanding	Purchase Price	Amount subject to the Offer
£150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2026	Paragon Banking Group PLC (formerly known as The Paragon Group of Companies PLC)	XS1482136154 / 148213615	£150,000,000	102.85 per cent. of the principal amount of Notes validly tendered and accepted for purchase by the Issuer	Any and all

(the "Notes")

to tender any and all such Notes for purchase by the Issuer for cash (such invitation, the "Offer"), subject to the satisfaction or waiver of the New Issue Condition (as defined herein) and the other conditions described in this Tender Offer Memorandum.

THE OFFER COMMENCES ON 15 MARCH 2021 AND WILL EXPIRE AT 16:00 HOURS (LONDON TIME) ON 22 MARCH 2021 (THE "EXPIRATION DEADLINE"), UNLESS EXTENDED, WITHDRAWN OR TERMINATED AT THE SOLE DISCRETION OF THE ISSUER. TENDER INSTRUCTIONS, ONCE SUBMITTED, MAY NOT BE WITHDRAWN EXCEPT IN THE LIMITED CIRCUMSTANCES OUTLINED IN THIS TENDER OFFER MEMORANDUM UNDER THE HEADING "AMENDMENT AND TERMINATION".

Custodians, Direct Participants and Clearing Systems will have deadlines for receiving instructions prior to the Expiration Deadline and holders should contact the intermediary through which they hold their Notes as soon as possible to ensure proper and timely delivery of instructions.

Dealer Managers

Barclays

BofA Securities

UBS Investment Bank

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IMPORTANT NOTICES

This Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the action it should take or is unsure of the impact of the Offer, it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its broker, bank manager, solicitor, accountant or other independent financial, legal or tax adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender Notes in the Offer. None of the Issuer, the Dealer Managers or the Tender Agent is providing Noteholders with any legal, business, tax or other advice in this Tender Offer Memorandum. Noteholders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash.

The Issuer accepts responsibility for the information contained in this Tender Offer Memorandum. To the best knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Tender Offer Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer. None of the Dealer Managers, the Tender Agent or any of their respective directors, employees or affiliates makes any representation or recommendation whatsoever regarding this Tender Offer Memorandum or the Offer, and none of the Issuer, the Dealer Managers, the Tender Agent or their respective directors, employees or affiliates makes any recommendation as to whether holders of Notes should tender Notes for purchase pursuant to the Offer. The Tender Agent is the agent of the Issuer and owes no duty to any holder of Notes.

Before making a decision whether to tender Notes pursuant to the Offer, Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the risk factors and other considerations described under the heading "*Risk Factors and Other Considerations*".

No person has been authorised to give any information or to make any representation other than those contained in this Tender Offer Memorandum in connection with the Offer and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer Managers. Neither the delivery of this Tender Offer Memorandum nor any purchase of Notes pursuant to the Offer shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date of this Tender Offer Memorandum or that the information contained in this Tender Offer Memorandum is correct as of any time subsequent to the date of this Tender Offer Memorandum.

Notes can only be tendered in the Offer in accordance with the procedures described in "*Procedures for Participating in the Offer*".

Noteholders who do not participate in the Offer, or whose Notes are not accepted for purchase by the Issuer, will continue to hold their Notes subject to the Conditions.

Noteholders must comply with all laws that apply to them in any place in which they possess this Tender Offer Memorandum. Noteholders must also obtain any consents or approvals that they need in order to tender their Notes. None of the Issuer, the Dealer Managers or the Tender Agent is responsible for Noteholders' compliance with these legal requirements. See "*Offer and Distribution Restrictions*." The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offer in, from or otherwise involving the United Kingdom.

Capitalised terms used in this Tender Offer Memorandum have the meaning given in "*Definitions and Interpretation*" below and any other definitions of such terms are for ease of reference only and shall not affect their interpretation.

OVERVIEW OF OFFER

Words and expressions defined in "Definitions and Interpretation" below or elsewhere in this Tender Offer Memorandum have the same meanings in this Overview.

Amount subject to the Offer

If the Issuer decides to accept any Notes validly tendered for purchase pursuant to the Offer, the Issuer intends to accept (subject to satisfaction or waiver of the New Issue Condition) all such validly tendered Notes for purchase in full with no *pro rata* scaling. The Issuer is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Issuer of Notes tendered pursuant to the Offer is at the sole and absolute discretion of the Issuer and tenders may be rejected by the Issuer for any reason.

Purchase Price

Subject to the Minimum Denomination in respect of the Notes, the price payable in respect of Notes validly tendered and accepted for purchase by the Issuer will be 102.85 per cent. of the principal amount of such Notes (the "**Purchase Price**"). In respect of any Notes accepted for purchase, the Issuer will also pay an amount equal to any accrued and unpaid interest on the Notes from, and including, the interest payment date for the Notes immediately preceding the Tender Offer Settlement Date up to, but excluding, the Tender Offer Settlement Date, which is expected to be 25 March 2021.

Notes repurchased by the Issuer pursuant to the Offer will not be immediately cancelled and will not be re-issued or re-sold and may be held or, at the option of the Issuer, surrendered to the Registrar or any Paying Agent for cancellation in the future. Notes which have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Tender Offer Settlement Date.

New Issue Condition

The Issuer is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Issuer of Notes tendered pursuant to the Offer is at the sole and absolute discretion of the Issuer and tenders may be rejected by the Issuer for any reason.

The Issuer announced on 15 March 2021 its intention to issue new sterling-denominated subordinated Tier 2 Notes (the "**New Notes**"). Whether the Issuer will accept for purchase Notes validly tendered in the Offer is subject (unless such condition is waived by the Issuer in its sole and absolute discretion), without limitation, to the successful completion of the issue of the New Notes (in each case as determined by the Issuer in its sole and absolute discretion) (the "**New Issue Condition**").

This Tender Offer Memorandum is not an offer to buy or sell, or a solicitation of an offer to sell or buy, any Notes, New Notes or other securities in the United States or to any U.S. person. Securities may not be offered or sold in the United States absent registration under, or an exemption from, the registration requirements of the Securities Act. Neither of the Notes nor the New Notes have been, or will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

*The target market for the New Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**").*

*The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Directive 2014/65/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the New Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.*

*The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the New Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.*

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the Final Prospectus prepared in connection with the issuance of the New Notes and no reliance is to be placed on any representations other than those contained in the Final Prospectus. Subject to compliance with all applicable securities laws and regulations, the Preliminary Prospectus and (following pricing of the New Notes) the Final Prospectus are available (subject to distribution restrictions) upon request from the Dealer Managers (each in its capacity as a joint lead manager of the issue of the New Notes).

Allocation of the New Notes

When considering the allocation of the New Notes, the Issuer may give preference to those Noteholders who, prior to such allocation, have given a firm intention to any Dealer Manager that they intend to tender their Notes pursuant to the Offer. Therefore, a Noteholder who wishes to subscribe for New Notes in addition to tendering its Notes for purchase pursuant to the Offer may be eligible to receive, at the sole and absolute discretion of the Issuer, priority in the allocation of the New Notes, subject to the issue of the New Notes and such Noteholder making a separate application for the purchase of such New Notes to a Dealer Manager (in its capacity as a joint lead manager of the issue of the New Notes). However, the Issuer is not obliged to allocate the New Notes to a Noteholder who has validly tendered or indicated a firm intention to tender the Notes pursuant to the Offer and, if New Notes are allocated, the principal amount thereof may be less or more than the principal amount of Notes tendered by such holder and accepted by the Issuer pursuant to the Offer. Any such allocation will also, among other factors, take into account the minimum denomination of the New Notes (being £100,000). Holders should note that the pricing and allocation of the New Notes are expected to take place prior to the Expiration Deadline and therefore should provide, as soon as practicable, to any Dealer Manager any indications of a firm intention to tender Notes for purchase pursuant to the Offer and the quantum of Notes that it intends to tender.

Amendment and Termination

The Issuer reserves the right, in its sole and absolute discretion, to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer at any time following the announcement of the Offer, as described herein under the heading "*Amendment and Termination*". Details of any such extension, re-opening, withdrawal, termination, amendment or waiver will be notified to the Noteholders as soon as possible after such decision.

General

Indicative terms for the New Notes will be available from the Dealer Managers (each in its capacity as a joint lead manager of the issue of the New Notes) in advance of the pricing of the New Notes and any Noteholder that wishes to obtain such indicative terms must contact one of the Dealer Managers (each in its capacity as a joint lead manager of the issue of the New Notes) for this information. Noteholders should note that any such terms are indicative only and are non-binding on the managers of the issue of the New Notes and the Issuer and that terms for the New Notes will only be finalised at, and announced via Bloomberg following, the time of pricing of the New Notes. The final terms of the New Notes will be as set out in the Final Prospectus.

All Tender Instructions or applications to purchase New Notes are subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Noteholder) and such request or application being made as set out in this Tender Offer Memorandum. See "Procedures for Participating in the Offer".

Offer and Distribution Restrictions

A tender offer of Notes for repurchase may only be made by the submission of a valid Tender Instruction.

The Issuer is making the Offer only in those jurisdictions where it is legal to do so. See "*Offer and Distribution Restrictions*". This document does not constitute a "prospectus" for the purposes of Regulation (EU) 2017/1129 (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018).

Deadlines

THE OFFER COMMENCES ON 15 MARCH 2021 AND WILL EXPIRE AT 16:00 HOURS (LONDON TIME) ON 22 MARCH 2021 (THE "EXPIRATION DEADLINE"), UNLESS EXTENDED, RE-OPENED, WITHDRAWN OR TERMINATED AT THE SOLE AND ABSOLUTE DISCRETION OF THE ISSUER. TENDER INSTRUCTIONS, ONCE SUBMITTED, MAY NOT BE WITHDRAWN EXCEPT IN THE LIMITED CIRCUMSTANCES OUTLINED IN THIS TENDER OFFER MEMORANDUM UNDER THE HEADING "AMENDMENT AND TERMINATION".

Custodians, Direct Participants and Clearing Systems will have deadlines for receiving instructions prior to the Expiration Deadline and Noteholders should contact the intermediary through which they hold their Notes as soon as possible to ensure proper and timely delivery of instructions.

Further Information

Any questions or requests for assistance in connection with this Tender Offer Memorandum may be directed to the Dealer Managers via the contacts provided on the back cover of this Tender Offer Memorandum. Any questions or requests for assistance in connection with the delivery of Tender Instructions or requests for additional copies of this Tender Offer Memorandum or related documents, which may be obtained free of charge, may be directed to Lucid Issuer Services Limited (the "**Tender Agent**") at the telephone number or e-mail address provided on the back cover of this Tender Offer Memorandum.

Before making a decision with respect to the Offer, Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the risk factors described in the section entitled "*Risk Factors and Other Considerations*".

DEFINITIONS AND INTERPRETATION

For the avoidance of doubt, the invitation by the Issuer to Noteholders contained in this Tender Offer Memorandum is an invitation to treat by the Issuer and any references to any offer or invitation being made by the Issuer under or in respect of the Offer shall be construed accordingly. Furthermore, each defined term listed below and/or elsewhere in this Tender Offer Memorandum is subject to the right of the Issuer to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer, as described herein under the heading "*Amendment and Termination*". Subject to the foregoing, in this Tender Offer Memorandum the following expressions have the following meanings:

Accrued Interest	In respect of any Note or Notes, interest accrued and unpaid on the relevant Note or Notes from (and including) the interest payment date for such Notes immediately preceding the Tender Offer Settlement Date to (but excluding) the Tender Offer Settlement Date.
Accrued Interest Payment	In respect of any Note or Notes, an amount in cash (rounded to the nearest £0.01, with £0.005 being rounded upwards) equal to the Accrued Interest on the relevant Note or Notes.
Business Day	A day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in London.
Clearing System Notice	The notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of this Tender Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Offer.
Clearing Systems	Clearstream, Luxembourg and Euroclear.
Clearstream, Luxembourg	Clearstream Banking S.A.
Conditions	The terms and conditions of the Notes.
Dealer Managers	Barclays Bank PLC, Merrill Lynch International and UBS AG London Branch.
Direct Participant	Each person shown in the records of the Clearing Systems as a holder of the Notes (except for either Clearing System in its capacity as an accountholder of the other Clearing System).
Euroclear	Euroclear Bank SA/NV
Expiration Deadline	16:00 hours (London time) on 22 March 2021 (subject to the right of the Issuer to extend, re-open and/or terminate the Offer, as applicable).
Final Prospectus	The final prospectus to be dated on or around 23 March 2021 prepared by the Issuer in connection with the New Notes.
Financial Promotion Order	The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Issuer	Paragon Banking Group PLC.
Minimum Denomination	The minimum denomination of the Notes, being £100,000.
New Issue Condition	A condition to completion of the Offer, being the successful completion (in the determination of the Issuer) of the issue of the New Notes.
New Notes	The new sterling-denominated subordinated Tier 2 Notes expected to be issued by the Issuer as announced on or around the date of this Tender Offer

Memorandum.

Noteholders	Holders of the Notes.
Notes	The £150,000,000 Fixed Rate Reset Callable Subordinated Tier 2 Notes due 2026 issued by Paragon Banking Group PLC (formerly known as The Paragon Group of Companies PLC) on 9 September 2016 bearing ISIN XS1482136154.
Notifying News Service	A recognised financial news service or services (e.g. Reuters/Bloomberg) as selected by the Issuer.
Offer	The invitation by the Issuer to Noteholders (subject to the Offer and Distribution Restrictions) to tender their Notes for purchase by the Issuer for cash, on the terms and subject to the conditions set out in this Tender Offer Memorandum (including the satisfaction or waiver of the New Issue Condition).
Offer and Distribution Restrictions	The offer restrictions referred to in " <i>Offer and Distribution Restrictions</i> ".
Preliminary Prospectus	The preliminary prospectus dated 15 March 2021 prepared by the Issuer in connection with the New Notes.
Purchase Consideration	In respect of any Note or Notes, an amount in cash (rounded to the nearest £0.01, with £0.005 being rounded upwards) calculated by applying the Purchase Price to the aggregate principal amount of such Note or Notes.
Purchase Price	The price payable by the Issuer for Notes validly tendered in the Offer and accepted for purchase by the Issuer, being 102.85 per cent. of the principal amount of such Notes.
RNS	The Regulatory News Service of the London Stock Exchange.
Sanctions Authority	<ul style="list-style-type: none">(i) the United States government;(ii) the United Nations;(iii) the United Kingdom;(iv) the European Union (or any of its member states);(v) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or(vi) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and Her Majesty's Treasury.
Sanctions Restricted Person	<p>An individual or an entity (a "Person):</p> <ul style="list-style-type: none">(i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or(ii) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (a) the most current "<i>Specially Designated Nationals and Blocked Persons</i>" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf); or (b) the most current "<i>Consolidated list of persons, groups and</i>

entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquarters-homepage_en/8442/Consolidated%20list%20of%20sanctions); or (c) the most current "*List of Foreign Sanctions Evaders Sanctioned Pursuant to Executive Order 13608*" (which as at the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/fse/fselist.pdf>); or (d) the most current "*UK sanctions list*" (which as at the date hereof can be found at: <https://www.gov.uk/government/publications/the-uk-sanctions-list>); or

- (iii) that is otherwise the subject or target of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the most current "*Sectoral Sanctions Identifications*" list (which as of the date hereof can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the "**SSI List**"), (b) Annexes III, IV, V and VI of Council Regulation No.833/2014, as amended by Council Regulation No.960/2014 (the "**EU Annexes**"), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes.

Tender Agent Lucid Issuer Services Limited.

Tender Instruction The electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadline in order for Noteholders to be able to participate in the Offer.

Tender Offer Settlement Date Expected to be 25 March 2021.

Unless the context otherwise requires, all references in this Tender Offer Memorandum to:

- (a) a "Noteholder" or "holder of Notes" include:
- (i) each person who is shown in the records of Euroclear or Clearstream, Luxembourg as a holder of the Notes; and
 - (ii) each beneficial owner of Notes holding such Notes, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner's behalf,

except that for the purposes of any payment to a Noteholder pursuant to the Offer of the Purchase Consideration or Accrued Interest Payment, as applicable, in respect of the relevant Notes, such payment will only be made by the relevant Clearing System to the relevant Direct Participant and the making of such payment by or on behalf of the Issuer to such Clearing System will satisfy the obligations of the Issuer and such Clearing System in respect of the purchase of such Notes, as applicable; and

- (b) "**GBP**" or "**£**" are all references to pounds sterling.

In this Tender Offer Memorandum headings and sub-headings are for ease of reference and shall not affect the construction or interpretation of any provision of this Tender Offer Memorandum.

INDICATIVE TIMETABLE

This is an indicative timetable showing one possible outcome for the timing of the Offer based on the dates in this Tender Offer Memorandum. This timetable is subject to change and dates and times may be extended or amended by the Issuer in accordance with the terms of the Offer as described in this Tender Offer Memorandum. Accordingly, the actual timetable may differ significantly from the timetable below.

<u>Date</u>	<u>Number of Business Days from and including Launch</u>	<u>Action</u>
15 March 2021	Day 1	<p><i>Commencement of the Offer</i></p> <p>Announcement of the Offer and intention of the Issuer to issue the New Notes.</p> <p>Tender Offer Memorandum available (subject to distribution restrictions) from the Tender Agent. Preliminary Prospectus available (subject to distribution restrictions) from the Dealer Managers.</p>
22 March 2021 16.00 hours, London time	Day 6	<p><i>Expiration Deadline</i></p> <p>Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offer.</p>
As soon as reasonably practicable on 23 March 2021	Day 7	<p><i>Announcement of Result of Offer</i></p> <p>Announcement of the Issuer's decision whether to accept (subject to satisfaction or waiver of the New Issue Condition on or prior to the Tender Offer Settlement Date) valid tenders of Notes for purchase pursuant to the Offer (including, if applicable, the Tender Offer Settlement Date for the Offer), the final aggregate principal amount of the Notes tendered pursuant to the Offer and the aggregate principal amount of Notes accepted for purchase pursuant to the Offer.</p>
25 March 2021	Day 9	<p><i>Tender Offer Settlement Date</i></p> <p>Subject to satisfaction or waiver of the New Issue Condition on or prior to the Tender Offer Settlement Date, expected Tender Offer Settlement Date for the Offer. Payment of Purchase Consideration and Accrued Interest Payment in respect of the Offer.</p>

Unless stated otherwise, announcements in connection with the Offer will be made through the clearing systems and via RNS. Such announcements may also be made by (i) the issue of a press release to a Notifying News Service and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Copies of all such announcements, press releases and notices can also be obtained from the Tender Agent, the contact details for whom are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements relating to the Offer.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.

OFFER AND DISTRIBUTION RESTRICTIONS

This Tender Offer Memorandum does not constitute an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Tender Offer Memorandum comes are required by each of the Issuer, the Dealer Managers and the Tender Agent to inform themselves about and to observe any such restrictions.

No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities and the minimum denomination of the New Notes will be £100,000.

United States

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "**U.S. Person**")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Notes cannot be tendered in the Offer by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

This Tender Offer Memorandum is not an offer of securities for sale in the United States or to U.S. Persons. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons.

Each Noteholder participating in the Offer will represent that it is not a U.S. Person located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and who is not a U.S. Person. For the purposes of this and the above two paragraphs, "**United States**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**")) or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Offer is not being made, directly or indirectly, in the Republic of France ("**France**") other than to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of Regulation (EU) 2017/1129. Neither this Tender

Offer Memorandum nor any other documents or materials relating to the Offer have been or shall be distributed in France other than to qualified investors (*investisseurs qualifiés*) and only qualified investors (*investisseurs qualifiés*) are eligible to participate in the Offer. This Tender Offer Memorandum and any other document or material relating to the Offer have not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers*.

Italy

None of the Offer, this Tender Offer Memorandum or any other documents or materials relating to the Tender Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**").

The Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999.

Noteholders, or beneficial owners of the Notes, can tender some or all of their Notes pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or the Offer.

General

Neither this Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offer*". Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted.

Each of the Issuer, the Dealer Managers and the Tender Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such tender or submission may be rejected.

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities. The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area or the United Kingdom.

RISK FACTORS AND OTHER CONSIDERATIONS

Before making a decision with respect to the Offer, Noteholders should carefully consider, in addition to the other information contained in this Tender Offer Memorandum, the following:

Uncertainty as to the Trading Market for Notes not Purchased.

To the extent that any tendered Notes are accepted by the Issuer for purchase pursuant to the Offer, the trading markets for Notes that remain outstanding may be significantly more limited. Such remaining Notes may command a lower market price than would a comparable issue of debt securities with greater market liquidity. A reduced market value may also make the trading price of such Notes more volatile. As a result, the market price for Notes that remain outstanding after completion of the Offer may be adversely affected by the Offer. None of the Issuer, the Dealer Managers or the Tender Agent has any duty to make a market in the Notes not validly tendered and purchased in the Offer.

Blocking of Notes.

When considering whether to tender Notes in the Offer, Noteholders should take into account that restrictions on the transfer of the relevant Notes will apply from the time of such tender. A Noteholder will, on tendering Notes in the Offer, agree that the relevant Notes will be blocked in the relevant account at the relevant Clearing System from the date that the tender of Notes is made until the earlier of (a) the date on which the tender of the relevant Notes is revoked, in the limited circumstances in which such revocation is permitted (see "*Amendment and Termination - Revocation Rights*") (including the automatic revocation of Tender Instructions on the withdrawal or termination of the Offer), in accordance with the terms of the Offer, and (b) the time of settlement on the Tender Offer Settlement Date.

No Obligation to Accept for Purchase Notes Tendered and New Issue Condition .

The Issuer is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. Tenders of Notes may be rejected in the sole and absolute discretion of the Issuer for any reason and the Issuer is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept for purchase a tender of Notes. For example, tenders of Notes may be rejected if the Offer is withdrawn or terminated, if the New Issue Condition is not satisfied or waived by the Issuer in its sole discretion, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

Responsibility for assessing the merits and risks of the Offer and Complying with the Procedures of the Offer.

Each Noteholder is responsible for assessing the merits and risks of the Offer. None of the Issuer, the Dealer Managers or the Tender Agent has made or will make any assessment of the merits and risks of the Offer or of the impact of the Offer on the interest of the Noteholders either as a class or as individuals. Holders of Notes are responsible for complying with all of the procedures for tendering Notes pursuant to the Offer (including the submission of Tender Instructions). None of the Issuer, the Dealer Managers and the Tender Agent assumes any responsibility for informing any Noteholder of irregularities with respect to any Tender Instructions or otherwise in connection with such holder's participation in an Offer.

Responsibility to Consult Advisers.

Noteholders should consult their own tax, accounting, financial and legal advisers regarding the consequences (tax, accounting or otherwise) of participating in the Offer.

None of the Dealer Managers, the Tender Agent, the Issuer, nor any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Dealer Managers, the Tender Agent, the Issuer, nor any director, officer, employee, agent or affiliate of, any such person makes any recommendation whether Noteholders should tender Notes in the Offer.

Tender Instructions Irrevocable.

Tender Instructions will be irrevocable upon submission except in the limited circumstances described in "*Amendment and Termination - Revocation Rights*".

Completion, Termination and Amendment.

Until the Issuer announces whether (i) it has decided to accept valid tenders of Notes pursuant to the Offer and (ii) the New Issue Condition has been satisfied or waived, no assurance can be given that the Offer will be completed. In addition, subject to applicable law and as provided in this Tender Offer Memorandum, the Issuer may, in its sole and absolute discretion, extend, re-open, withdraw or terminate the Offer and amend or waive any of the terms and conditions of the Offer at any time before such announcement and may, in its sole and absolute discretion, waive any of the conditions to the Offer either before or after such announcement.

Compliance with Offer and Distribution Restrictions.

Noteholders are referred to the offer and distribution restrictions in "*Offer and Distribution Restrictions*" and the acknowledgements, representations, warranties and undertakings in "*Procedures for Participating in the Offer*", which Noteholders will be deemed to make on tendering Notes in the Offer. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

Other Purchases or Redemption of Notes.

Whether or not the purchase of any Notes pursuant to the Offer is completed, the Issuer or any of its subsidiaries may, to the extent permitted by applicable law, acquire (from time to time both during and after the Offer) Notes other than pursuant to the Offer, including through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise. Such purchases may be on such terms and at such prices as the Issuer or the relevant subsidiary may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated by the Offer.

The Issuer or the Dealer Managers may acquire further Notes after the Offer has expired or lapsed, whether in the market or otherwise. The Issuer may also redeem any outstanding Notes in accordance with their terms and conditions.

Minimum Denominations of the Notes.

The Notes have denominations consisting of a minimum specified denomination of £100,000 and integral multiples of £1,000 in excess thereof. In such circumstances, a Noteholder whose Notes are accepted for purchase pursuant to the Offer and who, following purchase of the relevant Notes on the Tender Offer Settlement Date, continues to hold in its account with the relevant Clearing System further Notes in an aggregate principal amount outstanding of less than the Minimum Denomination, would need to purchase an aggregate principal amount of Notes such that its holding amounts to at least the minimum specified denomination before (i) the Notes it continues to hold may be traded in the Clearing Systems or (ii) it may receive a definitive Note in respect of such holding (should definitive Notes be printed).

Terms for the New Notes are indicative only.

Indicative terms for the New Notes will be available from the Dealer Managers (each in its capacity as a joint lead manager of the issue of the New Notes) in advance of the pricing of the New Notes. However, Noteholders should note that any such terms are indicative only and are non-binding on the Dealer Managers and the Issuer and that terms for the New Notes will only be finalised at the time of pricing of the New Notes. Noteholders should further note that they will not be entitled to revoke their Tender Instructions as a result of the actual pricing for the New Notes, which is to be announced via Bloomberg following the pricing of the New Notes, whether or not this is consistent with, or differs from, the indicative terms available in advance of the pricing of the New Notes.

No assurance of priority allocation in New Notes

Whilst the Issuer may, when considering allocations of New Notes, at its sole discretion elect to give preference to those investors who have, prior to the allocation of the New Notes, either validly tendered or given a firm indication to the Issuer or any Dealer Manager that it intends to tender any or all of its Notes pursuant to the Offer, it is not obliged to allocate New Notes to an investor which has validly tendered or indicated an intention to tender any or all of its Notes pursuant to the Offer. If any New Notes are allocated to an investor which has validly tendered its Notes, the principal amount of New Notes so allocated may be less or more than the principal amount of Notes tendered by such holder and accepted by the Issuer pursuant to the Offer. If a Noteholder validly tenders Notes pursuant to the Offer, such Notes will remain subject to such tender and the

conditions of the Offer as set out in this Tender Offer Memorandum, including the blocking of such Notes, irrespective of whether that Noteholder receives all, part or none of any allocation of New Notes for which it has applied.

Separate settlement.

Payments under the Offer and the issue of New Notes are subject to separate settlement processes. Noteholders who are subscribing for New Notes will be required to make payment for such New Notes prior to receiving the relevant payment pursuant to the Offer.

TERMS AND CONDITIONS OF THE OFFER

Introduction

On the terms and subject to the conditions contained in this Tender Offer Memorandum, the Issuer invites Noteholders (subject to the Offer and Distribution Restrictions contained herein) to tender their Notes for repurchase by the Issuer at the Purchase Price together with Accrued Interest.

The Issuer reserves the right, in its sole and absolute discretion, not to accept any Tender Instructions, not to purchase Notes or to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer (including the New Issue Condition) in any manner, subject to applicable laws and regulations.

Rationale for the Offer

The Offer in conjunction with an issue of New Notes is being made as part of the Issuer's active management of its capital base. The Offer will also provide liquidity for investors in the Notes concurrent with the opportunity to redeploy funding into the Issuer's proposed New Notes (as defined below).

Notes repurchased by the Issuer pursuant to the Offer will not be immediately cancelled and will not be re-issued or re-sold and may be held or, at the option of the Issuer, surrendered to the Registrar or any Paying Agent for cancellation in the future. Notes which have not been validly submitted and accepted for purchase pursuant to the Offer will remain outstanding.

Amount subject to the Offer

If the Issuer decides to accept any Notes validly tendered for purchase pursuant to the Offer, the Issuer intends to accept (subject to satisfaction or waiver of the New Issue Condition) all such validly tendered Notes for purchase in full with no *pro rata* scaling. The Issuer is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Issuer of Notes tendered pursuant to the Offer is at the sole and absolute discretion of the Issuer and tenders may be rejected by the Issuer for any reason.

Purchase Price

Subject to the Minimum Denomination, the Purchase Price will be 102.85 per cent. of the principal amount of Notes validly tendered and accepted for purchase by the Issuer.

New Issue Condition

Completion of the Offer will be conditional upon satisfaction of the New Issue Condition, unless the Issuer (in its sole and absolute discretion) elects to waive the New Issue Condition.

Accrued Interest Payment

The Issuer will pay accrued and unpaid interest in respect of all Notes validly tendered and delivered and accepted for purchase by the Issuer pursuant to the Offer, from and including the interest payment date for the Notes immediately preceding the Tender Offer Settlement Date to but excluding the Tender Offer Settlement Date.

Tender Offer Period

The Tender Offer commences on 15 March 2021 and will end at 16:00 hours (London time) on 22 March 2021 (the "**Expiration Deadline**") unless extended or amended by the Issuer, in which case notification to that effect will be given by or on behalf of the Issuer by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via RNS.

Tender Consideration

Subject to the Minimum Denomination, the total consideration payable to each Noteholder in respect of Notes validly submitted for tender and accepted for purchase by the Issuer will be an amount in cash equal to (i) the Purchase Price for the relevant Notes (rounded to the nearest £0.01, with £0.005 being rounded upwards), plus (ii) the Accrued Interest Payment in respect of such Notes.

Results

Subject to satisfaction or waiver of the New Issue Condition, the final results of the Offer are expected to be announced as soon as reasonably practicable on 23 March 2021. The Issuer will announce the final aggregate principal amount of the Notes tendered pursuant to the Offer and the aggregate principal amount of Notes (if any) so accepted for purchase. Such information will be notified to Noteholders by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via RNS and shall, absent manifest error, be final and binding on the Issuer and the Noteholders.

Subject to satisfaction or waiver of the New Issue Condition, once the Issuer has announced the final results in accordance with applicable law, the Issuer's acceptance of Tender Instructions in accordance with the terms of the Offer will be irrevocable. Tender Instructions which are so accepted will constitute binding obligations of the submitting Noteholders and the Issuer to settle the Offer subject to satisfaction or waiver of the New Issue Condition.

Notes repurchased by the Issuer pursuant to the Offer will not be immediately cancelled and will not be re-issued or re-sold and may be held or, at the option of the Issuer, surrendered to the Registrar or any Paying Agent for cancellation in the future. Notes which have not been validly tendered and accepted for purchase pursuant to the Offer will remain outstanding after the Tender Offer Settlement Date.

Payment

If the Notes validly tendered in the Offer are accepted for purchase by the Issuer, the Purchase Consideration and Accrued Interest Payments for Notes accepted for purchase pursuant to the Offer; will be paid on the Tender Offer Settlement Date (subject to the right of the Issuer to delay the acceptance of Tender Instructions as set out in this Tender Offer Memorandum) in immediately available funds delivered to the Clearing Systems for payment to the cash accounts of the relevant Noteholders in the Clearing Systems (see "*Procedures for Participating in the Offer*"). The deposit of such funds with the Clearing Systems will discharge the obligation of the Issuer to all Noteholders in respect of the above amounts represented by such funds.

Provided the Issuer makes or has made on its behalf full payment of the Purchase Consideration and Accrued Interest Payments for Notes accepted for purchase pursuant to the Offer to the Clearing Systems on or before the Tender Offer Settlement Date (subject to any amendment of the relevant payment date as described above), under no circumstances will any additional interest be payable because of any delay in the transmission of funds from the Clearing Systems or any other intermediary with respect to such Notes.

Extension, Termination and Amendment

Subject to applicable law, the Issuer reserves the right to extend, re-open, withdraw or terminate the Offer and to amend or waive any of the terms and conditions of the Offer, at any time after the announcement of the Offer as described below under "*Amendment and Termination*", including with respect to any Tender Instructions already submitted as of the time of any such extension, re-opening, withdrawal, termination, amendment or waiver.

If the Issuer withdraws or terminates the Offer, any Notes offered for sale will not be purchased.

The Issuer also reserves the right at any time or from time to time during, or following completion or cancellation of, the Offer to purchase or exchange or offer to purchase or exchange Notes or to issue an invitation to submit offers to sell Notes (including, without limitation, those offered pursuant to the Offer but not accepted for purchase), in each case on terms that may be more or less favourable than those contemplated by the Offer.

The making of any such new offers and the issuance of any new invitation will depend on various factors, including interest rates prevailing at such time and the aggregate principal amount of Notes purchased pursuant to the Offer.

Costs and Expenses

Any charges, costs and expenses charged to the Noteholders by any intermediary shall be borne by such Noteholder.

General Conditions of the Offer

The Issuer expressly reserves the right, in its sole and absolute discretion, to refuse or delay acceptance of Notes for purchase pursuant to the Offer in order to comply with applicable laws. In all cases, the purchase for cash of Notes pursuant to the Offer will only be made after the submission of a valid Tender Instruction in accordance with the procedures described in "*Procedures for Participating in the Offer*". These procedures include the blocking of the Notes tendered in the relevant account at the relevant Clearing System as described in "*Risk Factors and Other Considerations - Blocking of Notes*".

The Issuer may reject tenders of Notes which it considers in its sole and absolute discretion not to have been validly tendered in the Offer and the Issuer is under no obligation to any Noteholder to furnish any reason or justification for refusing to accept such tenders. **For example, tenders of Notes may be rejected and not accepted and may be treated as not having been validly tendered in the Offer if any such tender does not comply with the requirements of a particular jurisdiction.**

The Issuer will at any time have the sole and absolute discretion to accept for purchase any Notes tendered in the Offer, the tender of which would otherwise be invalid or, in the sole opinion of the Issuer, may otherwise be invalid.

The failure of any person to receive a copy of this Tender Offer Memorandum or any announcement made or notice issued by the Issuer in connection with the Offer shall not invalidate any aspect of the Offer. No acknowledgement of receipt of any Tender Instruction and/or other documents will be given by the Issuer, the Dealer Managers or the Tender Agent.

Announcements

Unless stated otherwise, announcements in connection with the Offer will be made by publication through RNS. Announcements may also be (i) made by the delivery of notices to the Clearing Systems for communication to Direct Participants and (ii) made by the issue of a press release to a Notifying News Service. Copies of all announcements, notices and press releases can also be obtained from the Tender Agent, the contact details for whom are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details on the last page of this Tender Offer Memorandum.

Governing Law

This Tender Offer Memorandum, the Offer, each Tender Instruction, any purchase of Notes pursuant to the Offer and any non-contractual obligations arising out of or in connection with the Offer shall be governed by English law. By submitting a Tender Instruction, the relevant Noteholder will irrevocably and unconditionally agree that the courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Offer or such Tender Instruction, including in relation to any non-contractual obligations arising out of or in connection with any of them, and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

PROCEDURES FOR PARTICIPATING IN THE OFFER

Noteholders that need assistance with respect to the procedures for participating in the Offer should contact the Tender Agent, the contact details for whom are on the last page of this Tender Offer Memorandum.

Summary of Action to be Taken

Tender Instructions

To tender Notes in the Offer, a holder of Notes should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received in each case by the Tender Agent by the Expiration Deadline.

Tender Instructions must be submitted in respect of a principal amount of Notes of no less than the Minimum Denomination (being £100,000) and may be submitted in integral multiples of £1,000 thereafter.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in this Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified in this Tender Offer Memorandum.**

Tender Instructions

The tendering of Notes in the Offer will be deemed to have occurred upon receipt by the Tender Agent via the relevant Clearing System by the Expiration Deadline of a valid Tender Instruction submitted in accordance with the requirements of such Clearing System. The receipt of such Tender Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Notes in the Noteholder's account at the relevant Clearing System so that no transfers may be effected in relation to such Notes.

Noteholders must take the appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such blocked Notes at any time after the date of submission of such Tender Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking such Notes in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to the Tender Agent (and for the Tender Agent to provide such details to the Issuer and the Dealer Managers, and their respective legal advisers).

Only Direct Participants may submit Tender Instructions. Each Noteholder that is not a Direct Participant must arrange for the Direct Participant through which it holds the relevant Notes to submit a Tender Instruction on its behalf to the relevant Clearing System by the deadlines specified by such Clearing System.

A Tender Instruction may only be revoked by a Noteholder, or the relevant Direct Participant on its behalf, in the limited circumstances described in "*Amendment and Termination - Revocation Rights*" by submitting a valid electronic revocation instruction to the relevant Clearing System. To be valid, such instruction must specify the Notes to which the original Tender Instruction related, the securities account to which such Notes are credited and any other information required by the relevant Clearing System.

By submitting a valid Tender Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, each Noteholder whose Notes are the subject of such Tender Instruction shall, and any Direct Participant submitting such Tender Instruction on behalf of such Noteholder(s) shall in respect of itself and each such Noteholder, shall be deemed to agree to, acknowledge, represent, warrant and undertake to the Issuer, the Dealer Managers and the Tender Agent the following on the date of submission of such Tender Instruction, the Expiration Deadline and on the Tender Offer Settlement Date (if a Noteholder or the Direct Participant is unable to give these acknowledgements, agreements, representations, warranties and undertakings, such Noteholder or Direct Participant should contact the Tender Agent immediately):

- (a) *Non-reliance:* it has received the Tender Offer Memorandum, and has reviewed and accepts the offer and distribution restrictions the terms, conditions, risk factors and other considerations of the Offer, all

as described in the Tender Offer Memorandum, and has undertaken an appropriate analysis of the implications of the Offer without reliance on the Issuer, the Dealer Managers or the Tender Agent;

- (b) *Identity:* by blocking the relevant Notes in the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agent (and for the Tender Agent to provide such details to the Issuer and the Dealer Managers, and their respective legal advisers);
- (c) *Renunciation of title and claims:* upon the terms and subject to the conditions of the Offer, it tenders in the Offer the aggregate principal amount of Notes in its account blocked in the relevant Clearing System and, subject to and effective upon the purchase by the Issuer of the Notes blocked in such Clearing System account, it renounces all right, title and interest in and to all such Notes purchased by or at the direction of the Issuer pursuant to the Offer and waives and releases any rights or claims it may have against the Issuer with respect to any such Notes or the Offer, as the case may be, and it unconditionally and irrevocably releases, discharges and waives all claims (including all claims for interest, costs and orders for costs), actions and causes of action, present or future and however arising, whether or not presently known or unknown (including those which arise hereafter upon a change in the relevant law) whether arising in equity or under common law or statute or by reason of breach of contract or in respect of any tortious act or omission or otherwise (whether or not damage has yet been suffered) it has, may have or had against the Issuer and each of its present or former officers, directors, employees or agents which arise out of or relate to, or are in any way connected with the Notes, or non-contractual obligations arising out of or in connection with the Notes. Further, it undertakes and covenants not to, and shall procure that any entity controlled, directly or indirectly, by it, or that controls, directly or indirectly, it, shall not, make, pursue, litigate, commence or prosecute any proceedings in relation to the Notes, or non-contractual obligations arising out of or in connection with the Notes, against the Issuer or any of its present or former officers, directors, employees or agents following repurchase of the Notes on the Tender Offer Settlement Date in accordance with the provisions of this Tender Offer Memorandum;
- (d) *Advice:* it has had access to such financial and other information concerning the Notes, and has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers, as it deems necessary or appropriate in order to make an informed decision with respect to its tendering of Notes for purchase in the Offer; it is not relying on any communication (written or oral) made by any party involved in the Offer or any such party's affiliates as constituting a recommendation to tender Notes in the Offer; and it is able to bear the economic risks of participating in the Offer;
- (e) *Ratification:* it agrees to ratify and confirm each and every act or thing that may be done or effected by the Issuer, any of its directors or any person nominated by the Issuer in the proper exercise of his or her powers and/or authority hereunder;
- (f) *Further acts:* it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Issuer to be desirable, in each case to complete the transfer of the relevant Notes to the Issuer or its nominee against payment to it of the Purchase Consideration and the Accrued Interest Payment for such Notes and/or to perfect any of the authorities expressed to be given hereunder;
- (g) *Compliance with applicable laws:* it has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities, and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance in any jurisdiction and it has not taken or omitted to take any action in breach of the terms of the Offer or which will or may result in the Issuer, the Dealer Managers, the Tender Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer;
- (h) *Successors and assigns:* all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- (i) *Non-reliance:* none of the Issuer, the Dealer Managers or the Tender Agent has given it any information with respect to the Offer save as expressly set out in the Tender Offer Memorandum nor has any of them made any recommendation to it as to whether it should tender Notes in the Offer and it

has made its own decision with regard to tendering Notes in the Offer based on any legal, tax or financial advice it has deemed necessary to seek;

- (j) *Tax consequences:* no information has been provided to it by the Issuer, the Dealer Managers or the Tender Agent, or any of their respective directors, officers or employees, with regard to the tax consequences for holders of Notes arising from the tender of Notes in the Offer and the receipt of the Purchase Consideration and Accrued Interest Payment and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction in connection with the Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Issuer, the Dealer Managers or the Tender Agent or any of their respective directors, officers or employees, or any other person in respect of such taxes and payments;
- (k) *No unlawful invitation:* it is not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities laws, it has not distributed or forwarded the Tender Offer Memorandum or any other documents or materials relating to the Offer to any such person(s) and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Tender Instruction in respect of the Notes it is tendering for purchase) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer;
- (l) *United States:* either (a) (i) it is the beneficial owner of the Notes being tendered and (ii) it is not a U.S. Person, it is located and resident outside the United States and is participating in the Offer from outside the United States or (b) (i) it is acting on behalf of the beneficial owner of the Notes being tendered on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is not a U.S. Person, it is located and resident outside the United States and is participating in the Offer from outside the United States;
- (m) *United Kingdom:* it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order), or to whom the Tender Offer Memorandum and any other documents or materials relating to the Offer may otherwise lawfully be communicated in accordance with the Financial Promotion Order;
- (n) *Italy:* it is not located or resident in Italy or, if it is located or resident in Italy, it is an authorised person or is tendering Notes through an authorised person and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (o) *France:* it is not located or resident in France or, if it is located or resident in France, it is a qualified investor (*investisseur qualifié*) (as defined in, and in accordance with, Article 2(e) of Regulation (EU) 2017/1129);
- (p) *Sanctions:* it is not a Sanctions Restricted Person;
- (q) *Power and authority:* it has full power and authority to tender, sell, assign and transfer the Notes it has tendered in the Offer pursuant to the Tender Instruction and, if such Notes are accepted for purchase by the Issuer pursuant to the Offer, such Notes will be transferred to, or to the order of, the Issuer with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached thereto, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Issuer to be necessary or desirable to complete the transfer of such Notes or to evidence such power and authority;
- (r) *Compliance with Clearing System requirements:* it holds and will hold, until the time of settlement on the Tender Offer Settlement Date, the relevant Notes blocked in the relevant Clearing System and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has submitted, or has caused to be submitted, the Tender Instruction to such Clearing System to authorise the blocking of the tendered Notes with effect on and from the date of such submission so that, at any time pending the transfer of such Notes on the Tender Offer Settlement Date to the Issuer or to its agent on its behalf, no transfers of such Notes may be effected;

- (s) *No obligation:* the Issuer is under no obligation to accept for purchase Notes tendered pursuant to the Offer, and accordingly such tender may be accepted or rejected by the Issuer in its sole and absolute discretion and for any reason;
- (t) *Constitution of binding agreement:* the Issuer's acceptance for payment of Notes offered pursuant to any of the procedures described in this Tender Offer Memorandum will constitute a binding agreement between such Noteholder and the Issuer in accordance with the terms and subject to the conditions of the Offer;
- (u) *Withdrawal or termination:* in the event of a withdrawal or termination of the Offer, the Tender Instructions with respect to the relevant Notes will be deemed to be withdrawn, and the relevant Notes will be unblocked in the Direct Participant's Clearing System account;
- (v) *Acceptance:* validly offered Notes (or defectively offered Notes with respect to which the Issuer has waived, or has caused to be waived, such defect) will be deemed to have been accepted by the Issuer if, as and when the Issuer gives oral or written notice thereof to the Tender Agent;
- (w) *Accuracy of information:* the information given by or on behalf of such Noteholder in the Tender Instruction is in all respects true, accurate and not misleading and will in all respects be true, accurate and not misleading at the time of the purchase of the Notes on the Tender Offer Settlement Date; and
- (x) *Indemnity:* the Issuer, the Dealer Managers and the Tender Agent will rely on the truth and accuracy of the foregoing acknowledgements, agreements, representations, warranties and undertakings and it shall indemnify the Issuer, the Dealer Managers and the Tender Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the agreements, representations, warranties and/or undertakings given in connection with the Offer.

The representation, warranty and undertaking set out at paragraph (p) above shall, other than when such representation, warranty and undertaking is made by a Noteholder (and, if applicable, the Direct Participant submitting the relevant Tender Instruction on such Noteholder's behalf) at the time of submission of the relevant Tender Instruction, not apply if and to the extent that it is or would be unenforceable by reason of breach of any provision of Council Regulation (EC) No 2271/1996 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

The receipt of a Tender Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the Tender Offer Settlement Date in respect of all of the Notes the relevant Noteholder has tendered in the Offer and which are accepted for purchase by the Issuer, upon receipt by such Clearing System of an instruction from the Tender Agent to receive such Notes for the account of the Issuer and against credit of the relevant amount in cash from the Issuer equal to the Purchase Consideration and Accrued Interest Payment for such Notes, subject to the automatic revocation of those instructions on the date of any withdrawal or termination of the Offer (including where such Notes are not accepted for purchase by the Issuer) or the valid revocation of such Tender Instruction in the limited circumstances in which such revocation is permitted as set out in this Tender Offer Memorandum.

General

Tenders and instructions other than in accordance with the procedures set out in this section will not be accepted

The Issuer will only accept tenders of Notes in the Offer by way of the submission of valid Tender Instructions in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*".

Irrevocability

The submission of a valid Tender Instruction in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*" will be irrevocable (except in the limited circumstances described in "*Amendment and Termination - Revocation Rights*").

Irregularities

All questions as to the validity, form and eligibility (including time of receipt) of any Tender Instruction or as to the revocation of any Tender Instruction will be determined by the Issuer, in its sole and absolute discretion, and such determination will be final and binding.

The Issuer reserves the absolute right to reject any and all Tender Instructions or (in the limited circumstances in which revocation is permitted) revocation instructions not in proper form or in respect of which the acceptance by the Issuer may be unlawful. The Issuer also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Tender Instructions or revocation instructions. The Issuer also reserves the absolute right to waive any such defect, irregularity or delay in respect of particular Notes, whether or not the Issuer elects to waive similar defects, irregularities or any delay in respect of other Notes.

Any defect, irregularity or delay must be cured within such time as the Issuer determines, unless waived by it. Tender Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Issuer, the Dealer Managers or the Tender Agent shall be under any duty to give notice to a Noteholder of any defects, irregularities or delays in the receipt or non-receipt of any Tender Instruction or revocation instructions nor shall any of them incur any liability for failure to give such notice.

AMENDMENT AND TERMINATION

Amendment and Termination

Notwithstanding any other provision of the Offer, the Issuer may, subject to applicable laws, at its option and in its sole and absolute discretion, at any time before any acceptance by the Issuer of Notes validly tendered in the Offer:

- (a) *Extension or re-opening*: extend the Expiration Deadline or re-open the Offer, as applicable (in which case all references in this Tender Offer Memorandum to the Expiration Deadline shall, unless the context otherwise requires, be to the latest time and date, as the case may be, to which the Expiration Deadline has been so extended or the Offer re-opened);
- (b) *Amendment of other terms*: otherwise amend the Offer in any respect (including, but not limited to, any amendment to any of the Purchase Price, the Expiration Deadline or the Tender Offer Settlement Date);
- (c) *Delay*: delay acceptance or, subject to applicable law, purchase of Notes tendered in the Offer until satisfaction or waiver of the conditions to the Offer, even if the Offer has expired; or
- (d) *Termination*: terminate the Offer, including with respect to Tender Instructions submitted before the time of such termination.

The Issuer may also terminate the Offer at any time on or before the Tender Offer Settlement Date if the New Issue Condition is not satisfied or waived in its sole and absolute discretion.

The Issuer also reserves the right at any time to waive any or all of the conditions (including, but not limited to, the New Issue Condition) of the Offer as set out in this Tender Offer Memorandum.

The Issuer will ensure an announcement is made of any such extension, re-opening, amendment, withdrawal or termination as soon as is reasonably practicable after the relevant decision is made. To the extent a decision is made to waive any condition of the Offer generally (as opposed to in respect of certain tenders of Notes only), such decision will also be announced as soon as is reasonably practicable after it is made. (See "*Terms and Conditions of the Offer – Announcements*"). If the Issuer amends the Offer in any way that, in the opinion of the Issuer (in consultation with the Dealer Managers), is materially prejudicial to Noteholders that have already tendered Notes in the Offer, the announcement of such amendment shall include a statement that in the Issuer's opinion such amendment is materially prejudicial to such Noteholders.

In the event the Offer is withdrawn or terminated, notwithstanding the irrevocability of all Tender Instructions, all Tender Instructions in respect of Notes will be deemed to be revoked automatically.

Revocation Rights

The submission of a valid Tender Instruction in accordance with the procedures set out in the section "*Procedures for Participating in the Offer*" above will be irrevocable (except in the limited circumstances described below).

If the Issuer announces an amendment to the Offer that, in the opinion of the Issuer (in consultation with the Dealer Managers), is materially prejudicial to Noteholders that have already tendered Notes in the Offer before the announcement of such amendment, then such tenders of Notes may be revoked at any time from the date and time of such announcement until 16.00 hours (London time) on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Noteholders hold their Notes).

For the avoidance of doubt, any extension or re-opening of the Offer (including any amendment in relation to the Expiration Deadline and/or the Tender Offer Settlement Date) in accordance with the terms of the Offer as described in this section "*Amendment and Termination*" shall not be considered materially prejudicial to Noteholders that have already tendered Notes in the Offer before the announcement of such amendment.

Noteholders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in "*Procedures for Participating in the Offer*". Beneficial owners of Notes that are held through an intermediary are advised to check with such entity when it would require receipt of instructions to revoke a tender of Notes in the Offer in order to meet the above deadline. For the avoidance of doubt, any

Noteholder who does not exercise any such right of revocation in the circumstances and in the manner specified above shall be deemed to have waived such right of revocation and its original Tender Instruction will remain effective.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive revocation instructions from a Noteholder in order for that Noteholder to be able to revoke their instruction to participate in, the Offer before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the revocation instructions will be earlier than the relevant deadlines specified above.

TAX CONSEQUENCES

In view of the number of different jurisdictions where tax laws may apply to a Noteholder, this Tender Offer Memorandum does not discuss the tax consequences to Noteholders of the purchase of Notes by the Issuer pursuant to the Offer or issue of the New Notes. Noteholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the sale of their Notes and their receipt of the Purchase Consideration, and the Accrued Interest Payment. Noteholders are liable for their own taxes and similar or related payments imposed on them under the laws of any applicable jurisdiction, and have no recourse to the Issuer, the Dealer Managers or the Tender Agent with respect to such taxes arising in connection with the Offer or issue of the New Notes.

DEALER MANAGERS AND TENDER AGENT

The Issuer has retained Barclays Bank PLC, Merrill Lynch International and UBS AG London Branch to act as Dealer Managers for the Offer and Lucid Issuer Services Limited to act as Tender Agent. The Issuer has entered into a dealer manager agreement with the Dealer Managers and an engagement letter with the Tender Agent, each of which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Offer. The Issuer has also appointed the Dealer Managers as joint lead managers for the issuance of the New Notes.

The Dealer Managers and their respective affiliates may contact Noteholders regarding the Offer, and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Tender Offer Memorandum and related materials to Noteholders.

The Dealer Managers and their respective affiliates have provided and continue to provide certain investment banking services to the Issuer and its affiliates for which they have received and will receive compensation that is customary for services of such nature.

In the ordinary course of their respective businesses, the Dealer Managers and the Tender Agent, and their respective affiliates, are entitled to hold positions in the Notes either for their own account or for the account, directly or indirectly, of third parties. In the ordinary course of their respective businesses, the Dealer Managers, the Tender Agent and their respective affiliates are entitled to continue to hold or dispose of, in any manner they may elect, subject to applicable law, any Notes they may hold as at the date of this Tender Offer Memorandum. No such holding or disposal by any Dealer Manager or the Tender Agent, or any such affiliate, should be taken by any holder of Notes or any other person as any recommendation or otherwise by the Dealer Managers or the Tender Agent, as the case may be, as to the merits of participating or not participating in the Offer.

The Dealer Managers and/or their respective affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Notes. Further, the Dealer Managers and/or their respective affiliates may (i) submit Tender Instructions for their own account and (ii) submit Tender Instructions, (subject always to the Offer and Distribution Restrictions) on behalf of other Noteholders.

None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offer, the Issuer, any of its affiliates or the Notes contained in this Tender Offer Memorandum or for any failure by the Issuer to disclose events that may have occurred and may affect the significance or accuracy of such information.

None of the Issuer, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Issuer, the Dealer Managers, the Tender Agent, or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Offer, or any recommendation as to whether Noteholders should tender Notes in the Offer or otherwise participate in the Offer or subscribe for New Notes.

The Tender Agent is the agent of the Issuer and owes no duty to any holder of Notes.

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