

Dated 16th September, 1985

MIDLAND BANK plc

and

CITIBANK, N.A.

AGENT BANK AGREEMENT

Coward Chance
Royex House
Aldermanbury Square
London EC2V 7LD

Ref: NFB.6663

MIDLAND BANK plc

U.S.\$500,000,000

Undated Floating Rate Primary Capital Notes

AGENT BANK AGREEMENT

THIS AGREEMENT is made the 16th day of September One thousand nine hundred and eighty-five BETWEEN MIDLAND BANK plc whose registered office is at Poultry, London EC2P 2BX (hereinafter called "the Bank") of the one part and CITIBANK, N.A. of Citibank House, 336 Strand, London, WC2R 1HB (hereinafter called "the Agent Bank") of the other part.

WHEREAS:-

(A) The Bank has authorised the creation of U.S.\$500,000,000 Undated Floating Rate Primary Capital Notes (hereinafter called the "Notes");

(B) The Notes are to be constituted by a Trust Deed (hereinafter called "the Trust Deed") to be dated 16th September 1985 and made between the Bank (1) and The Law Debenture Trust Corporation p.l.c. as trustee for the Noteholders (hereinafter called "the Trustee") (2);

NOW IT IS HEREBY AGREED as follows:-

1. EXPRESSIONS defined in the Trust Deed and in the Conditions (as defined in the Trust Deed) shall bear the same meanings herein unless the context otherwise requires.
2. THE Bank HEREBY APPOINTS the Agent Bank as its agent bank for the purpose of calculating and publishing the Rate of Interest and the Amount of Interest in respect of the relevant Interest Period in respect of the Notes upon and subject to

the terms and conditions hereinafter mentioned and in accordance with the Conditions; and in the event of the winding up of the Bank in England, to determine the U.S. dollar equivalent of One pound sterling in accordance with Condition 9, and to determine the Rate of Dividend and Amount of Dividend on the preference shares into which the Notes shall thereupon be treated as having been converted in accordance with the Trust Deed.

3. (A) THE Agent Bank will on each Interest Determination Date determine the Rate of Interest on the basis of the following provisions:-

- (i) On the second business day prior to the commencement of each Interest Period, the Agent Bank will request the principal London offices of the Reference Banks to provide the Agent Bank with their respective offered quotations (the "offered rates") to leading banks for deposits of U.S. dollars in the London inter-bank market for such Interest Period as at 11.00 a.m. (London time) on the Interest Determination Date in question. The Rate of Interest for that Interest Period shall, subject to (v) below, be $1/4$ per cent. per annum above the arithmetic average (rounded upwards if necessary to the nearest $1/16$ per cent.) of the offered rates of three out of five quoting Reference Banks (excluding the highest and lowest (or, in either case, if more than one, then one only of them) of the offered rates of all the Reference Banks);
- (ii) if on any Interest Determination Date four only of the Reference Banks provide such quotations, the Rate of Interest for the relevant Interest Period shall, subject to (v) below, be determined (in accordance with (i) above) on the basis of the offered rates of two out of the four quoting Reference Banks (excluding as aforesaid);
- (iii) if on any Interest Determination Date three or two only of the Reference Banks provide such quotations, the Rate of Interest for the relevant Interest Period shall, subject to (v) below, be determined (in accordance with (i) above) on the basis of the offered rates of all the quoting Reference Banks (but without excluding as aforesaid);

(iv) if, on any Interest Determination Date, only one or none of the Reference Banks provides the Agent Bank with such offered quotations, the Rate of Interest for the relevant Interest Period shall, subject to (v) below, be whichever is the higher of:-

(a) the Rate of Interest in effect for the last preceding Interest Period to which (i), (ii) or (iii) above shall have applied; and

(b) (i) a rate per annum which the Agent Bank determines as being 1/4 per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest 1/16 per cent.) of the rates, as communicated to and at the request of the Agent Bank by or on behalf of the Reference Banks or any two or more of them (if such only provide quotations), at which such Reference Banks are offered, as at 11.00 a.m. (New York City time) on the relevant Interest Determination Date, by leading banks in New York City, U.S. dollar deposits for the relevant Interest Period, or (ii) if only one or none of the Reference Banks provides the Agent Bank with such offered rates, 1/4 per cent. per annum above the arithmetic average of the lowest lending rates for U.S. dollar deposits which leading banks in New York City, selected after consultation with the Bank by the Agent Bank, quote on the relevant Interest Determination Date for the relevant Interest Period to leading Banks which have their head offices in Europe; Provided that if the banks selected as aforesaid by the Agent Bank are not quoting as mentioned above, the Rate of Interest shall be the Rate of Interest specified in (a) above; and

(v) in no event in respect of any Interest Period ending in or before September, 1995 shall the Rate of Interest be less than 5 per cent. per annum, but thereafter no such minimum shall apply.

(B) The Agent Bank will, on each Interest Determination Date, determine the Rate of Interest and the Amount of Interest payable on the presentation and surrender of each Coupon in respect of each Note for the relevant Interest Period assuming the same to be payable on the relevant Interest Payment Date. The Amount

of Interest shall be calculated by applying the Rate of Interest to the principal amount of one Note, multiplying such sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards). The determination of the Rate of Interest and of the Amount of Interest by the Agent Bank shall (in the absence of wilful default, bad faith or manifest error) be final and binding upon all parties.

(C) As soon as practicable on or after each Interest Determination Date, the Agent Bank shall forthwith notify the Trustee, the Bank and the Principal Paying Agent of the Rate of Interest and the Amount of Interest for the relevant Interest Period and the relevant Interest Payment Date and shall cause the same to be notified to The Stock Exchange and to be published in accordance with Condition 11. The Amount of Interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(D) If the Agent Bank shall not at any time for any reason determine the Rate of Interest or calculate the Amount of Interest it shall forthwith notify the Trustee and the Bank that the Rate of Interest and/or the Amount of Interest has not been determined for the relevant Interest Period and the Rate of Interest shall be determined or, as the case may be, the Amount of Interest shall be calculated by the Trustee in accordance with the relevant provisions of the Trust Deed.

4. (A) IN the event of the winding up of the Bank in England, the Agent Bank shall for the purposes of Condition 9, determine the U.S. dollar equivalent of One pound sterling as at 11.00 a.m. on such preceding business day as the arithmetic mean of the mid-rates quoted by the Reference Banks or (if less than all the Reference Banks so quote) as the arithmetic mean of the mid-rates quoted by those Reference Banks who so quote.

(B) the Agent Bank will cause the said U.S. dollar equivalent ascertained pursuant to sub-clause (A) to be published in accordance with Condition 11. In the event that the Agent Bank does not at any time for any reason determine the said U.S. dollar equivalent the Agent Bank shall forthwith notify the Trustee and the

Bank that the U.S. dollar equivalent has not been so determined and the Trustee shall determine it in accordance with the relevant provisions of the Trust Deed.

5. (A) IN the event of a winding up of the Bank in England the Agent Bank will on each Dividend Payment Date determine the Rate of Dividend on the basis of the following provisions:-

- (i) on each Dividend Payment Date the Agent Bank will request the principal London offices of the Reference Banks to provide the Agent Bank with their respective offered quotations (the "Offered Quotations") to leading banks for sterling deposits in the London inter-bank market for such Dividend Period as at 11.00 a.m. on the Dividend Payment Date in question. The Rate of Dividend for that Dividend Period shall, subject to (v) below, be $1/4$ per cent. per annum above the arithmetic average (rounded upwards if necessary to the nearest $1/16$ per cent.) of the Offered Quotations of three out of the five quoting Reference Banks (excluding the highest and lowest (or, in either case, if more than one, then one only of them) of the Offered Quotations of all the Reference Banks);
- (ii) if on any Dividend Payment Date four only of the Reference Banks provide such quotations, the Rate of Dividend for the relevant Dividend Period shall, subject to (v) below, be determined (in accordance with (i) above) on the basis of the Offered Quotations of two out of the four quoting Reference Banks (excluding as aforesaid);
- (iii) if on any Dividend Payment Date three or two only of the Reference Banks provide such quotations, the Rate of Dividend for the relevant Dividend Period shall, subject to (v) below, be determined (in accordance with (i) above) on the basis of the Offered Quotations of all the quoting Reference Banks (but without excluding as aforesaid);
- (iv) if, on any Dividend Payment Date, only one or none of the Reference Banks provide(s) the Agent Bank with such Offered Quotation, the Rate

of Dividend for the relevant Dividend Period shall, (subject to (v) below,) be whichever is the higher of:-

(a) the Rate of Dividend in effect for the last preceding Dividend Period to which (i), (ii) or (iii) above shall have applied; and

(b) (i) a rate per annum which the Agent Bank determines as being $1/4$ per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest $1/16$ per cent.) of the rates, as communicated to and at the request of the Agent Bank by or on behalf of the Reference Banks or any two or more of them (if such only provide quotations), at which such Reference Banks are offered, as at 11.00 a.m. on the relevant Dividend Payment Date, by leading banks in London, sterling deposits for the relevant Dividend Period, or (ii) if only one or none of the Reference Banks provides the Agent Bank with such Offered Rates, $1/4$ per cent. per annum above the arithmetic average of the lowest lending rates for sterling deposits which leading banks in London, selected after consultation with the Bank by the Agent Bank, quote on the relevant Dividend Payment Date for the relevant Dividend Period to leading banks which have their head offices in Europe; Provided that if the banks selected as aforesaid by the Agent Bank are not quoting as mentioned above, the Rate of Dividend shall be the Rate of Dividend specified in (a) above;

(v) in no event in respect of any Dividend Period ending in or before September 1995 shall the Rate of Dividend be less than 5 per cent. per annum, but thereafter no such minimum shall apply.

(B) The Agent Bank will, on each Dividend Payment Date, determine the Rate of Dividend and the Amount of Dividend payable on each Preference Share for the relevant Dividend Period. The Amount of Dividend shall be calculated by applying the Rate of Dividend to the nominal amount of one Preference Share, multiplying such sum by the actual number of days in the Dividend Period concerned divided by 365 and rounding the resultant figure to the nearest penny (half a penny being rounded upwards) Provided that for this purpose the nominal amount of each Preference Share

shall be deemed to exclude an amount which bears the same proportion to the nominal amount of such Preference Share as the amount in respect of Arrears of Interest and interest accrued in the current Interest Period taken into account in calculating "P" under Condition 9 bears to the amount of "P" under Condition 9. The determination of the Rate of Dividend and the Amount of Dividend by the Agent Bank shall (in the absence of wilful default, bad faith or manifest error) be final and binding upon all parties.

(C) The Agent Bank will cause the Rate of Dividend and the Amount of Dividend payable on the Preference Shares as ascertained pursuant to (A) above for each Dividend Period and the relevant Dividend Payment Date to be notified to The Stock Exchange and to be published in accordance with Condition 11. Such Amount of Dividend and Dividend Calculation so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Dividend Period.

(D) In the event that the Agent Bank does not at any time for any reason determine the Rate of Dividend in accordance with (A) above or the Amount of Dividend payable on the Preference Shares as ascertained pursuant to (B) above, the Agent Bank shall forthwith notify the Trustee and the Bank that the Rate of Dividend and/or the Amount of Dividend has not been so determined for the relevant Dividend Period and the Rate of Dividend shall be determined or, as the case may be, the Amount of Dividend shall be calculated by the Bank in accordance with the relevant provisions of the Trust Deed.

6. ANNUALLY in advance but upon receiving an account therefor the Bank will pay to the Agent Bank remuneration for its services as agreed in a side letter of even date herewith. Upon receiving an account therefor from the Agent Bank, the Bank will also pay the reasonable out-of-pocket expenses (including any notarial, legal, advertising, cable and other expenses) properly incurred by the Agent Bank in connection with the preparation and execution of this Agreement and its services to the Bank as Agent Bank hereunder.

7. THE Bank will indemnify the Agent Bank against any losses, liabilities, costs, claims, expenses, actions or demands which it may incur or sustain or which may be made against it in connection with its appointment or the exercise of its powers and duties hereunder as well as the reasonable costs, including expenses and fees of legal or other professional advisers, and of defending any action claim or demand except such as may result from the negligence, wilful default or bad faith of the Agent Bank or any of its officers or employees. In the event of any such action, claim or demand or other proceedings in which an indemnity may be sought from the Bank, the Agent Bank shall promptly notify the Bank in writing and the Bank shall have the option to assume the defence thereof. The Bank shall not be liable to indemnify any person for any settlement of any such action, claim or demand or other proceeding effected without the Bank's written consent. The Agent Bank shall incur no liability and shall be indemnified and held harmless by the Bank for any action taken or suffered to be taken in good faith in reliance upon (i) the written opinion or advice of legal or other professional advisers or (ii) written instructions from the Bank.

8. THE Agent Bank accepts its obligations herein set forth upon the terms and conditions hereof, including the following, to all of which the Bank agrees:

(a) in acting under this Agreement and in connection with the Notes and Coupons, the Agent Bank is acting solely as agent of the Bank and does not assume any obligations to or relationship of agency or trust for or with any of the Noteholders or Couponholders;

(b) unless therein otherwise specifically provided, any order, certificate, notice, request, direction or other communication from the Bank made or given under any provision of this Agreement shall be sufficient if signed by any person whom the Agent Bank reasonably believes to be a duly authorised officer of the Bank;

(c) the Agent Bank shall be obliged to perform such duties and only such duties as are herein specifically set forth;

(d) the Agent Bank, whether acting for itself or in any other capacity,

may become the owner or pledgee of Notes or Coupons with all such rights as it would have if it were not acting hereunder;

(e) the Agent Bank shall be entitled to enter into business transactions with the Bank and/or any of the Bank's subsidiaries without accounting for any profit resulting therefrom.

9. (A) THE Bank undertakes that, for so long as it is required so to do in accordance with the Conditions, it shall procure that there shall at all times be five Reference Banks. Forthwith upon any change in the identity of any of the Reference Banks named in the Conditions, the Bank shall notify the Agent Bank of such change. Pending receipt of any such notification, the Agent Bank shall be entitled to assume that the Reference Banks are those named in the Conditions as modified by any changes to which notification has been received by the Agent Bank;

(B) Subject as provided below, the Agent Bank may at any time resign as Agent Bank by giving written notice to the Bank and the Trustee of such intention on its part, specifying the date on which its desired resignation shall become effective, provided that such notice shall not be given so as to expire within thirty days prior to an Interest Payment Date or a Dividend Payment Date nor less than three months prior to the said effective dates unless the Bank, the Trustee and the Agent Bank otherwise agree in writing. Subject as provided below, the Agent Bank may be removed at any time by notice in writing signed by the Bank specifying such removal and the date when it shall become effective. Such resignation or removal shall take effect upon (i) the appointment by the Bank of a successor Agent Bank, (ii) the approval by the Trustee of the appointment of such successor Agent Bank and the terms hereof, (iii) the acceptance of such appointment by such successor Agent Bank and (iv) the giving of notice of such appointment in accordance with Condition 11. Upon its resignation or removal becoming effective, the retiring Agent Bank shall be entitled to the reimbursement of all reasonable out-of-pocket expenses (including legal fees) incurred in connection with the services rendered hereunder by it as the Agent Bank;

(C) If at any time the Agent Bank shall resign or shall be removed, or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or an order is made or an effective resolution is passed to wind up the Agent Bank or if the

Agent Bank shall file a voluntary petition in bankruptcy or enter into an arrangement for the benefit of its creditors or if a receiver shall be appointed of all or any substantial part of its property or if it shall admit in writing its inability to pay or meet its debts as they accrue or if any order of any court shall be made approving any petition filed by or against it under the provision of any applicable bankruptcy or insolvency law or if any public officer shall take charge or control of the Agent Bank or its property or affairs for the purpose of rehabilitation, conservation or liquidation, a successor Agent Bank shall be appointed by the Bank and the appointment of the Agent Bank hereunder shall terminate forthwith upon such appointment being made with the approval of and on the terms approved by the Trustee and accepted by the successor Agent Bank;

(D) If at any time the Agent Bank shall resign or shall be removed or superseded in accordance with sub-clauses (B) or (C) of this Clause then the Agent Bank shall forthwith repay to the Company net and free of all deductions such proportion of the annual remuneration already paid to it by the Bank which equals the proportion which the number of days from and including the date on which such resignation or removal became effective to the 15th day of September of the calendar year in question bears to the number of days from and including the 16th day of September of the year in question to the date on which such resignation or removal became effected.

(E) Upon termination of its appointment hereunder the Agent Bank shall, upon payment of its charges and disbursements then unpaid, become obliged forthwith to transfer and deliver copies of any relevant records maintained by it to the successor Agent Bank;

(F) Any corporation into which the Agent Bank may be merged or converted or any corporation with which the Agent Bank may be consolidated or any corporation resulting from any merger, conversion or consolidation to which the Agent Bank shall be a party shall, on the date on which such merger, conversion or consolidation becomes effective and to the extent permitted by applicable law and provided that it shall be a responsible financial firm or institution having an established place of business in London, be the successor Agent Bank under this Agreement without the execution or filing of any paper or any further act on the part of any of the

parties hereto and after the said effective date all references in this Agreement to the Agent Bank shall be deemed to be references to such corporation. Notice of any such merger, conversion or consolidation shall forthwith be given (at the cost and expense of the Agent Bank) to the Bank the Trustee and the Principal Paying Agent.

1). ANY notice required to be given hereunder shall be delivered in person, sent by authenticated telex or communicated by telephone (subject in the case of communication by telephone to confirmation within twenty-four hours by letter delivered in person or by authenticated telex), to the relevant party as follows:-

The Bank Midland Bank plc,
 Poultry,
 London, EC2P 2BX

(Attention: The Secretary)
Telex: 8811822

The Agent Bank: Citibank, N.A.,
 Citibank House,
 336 Strand,
 London, WC2R 1HB.

(Attention: CSSI Department)
Telex: 896581 CITBK AG

The Trustee: The Law Debenture Trust Corporation p.l.c.
 66 Gresham Street,
 London, EC2V 7HX.

(Attention: Trustee Department)
Telex: 888347 LAWDEB

The Principal
Paying Agent:

Citibank, N.A.,
Citibank House,
336 Strand,
London, WC2R 1HB.

(Attention: CSSI Department)
Telex: 896581 CITBK AG

or to any other address at which such party shall have notified the others in writing. Any notice hereunder given by authenticated telex shall be deemed to be served when it would be received in the ordinary course of transmission.

11. THIS Agreement is governed by and shall be construed in accordance with English Law.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

MIDLAND BANK plc

By: 

CITIBANK, N.A.

By: 