LISTING PARTICULARS DATED 24 JULY 2020

THE UNIVERSITY OF LEEDS
(*incorporated by Royal Charter*)

£50,000,000 3.125 PER CENT. BONDS DUE 2050

(to be consolidated and form a single series with the £250,000,000 3.125 per cent. Bonds due 2050 issued on 19 February 2016)

Issue price: 138.562 per cent. plus 39 days' accrued interest in respect of the period from (and including) 19 June 2020 to (but excluding) 28 July 2020

The issue price of the £50,000,000 3.125 per cent. Bonds due 2050 (the "**Further Bonds**") of The University of Leeds (the "**Issuer**") is 138.562 per cent. of their principal amount (plus 39 days' accrued interest in respect of the period from (and including) 19 June 2020 (the "**Interest Commencement Date**") to (but excluding) 28 July 2020 (the "**Issue Date**")). The Further Bonds will be consolidated and form a single series with the £250,000,000 3.125 per cent. Bonds due 2050 issued on 19 February 2016 and described in a Prospectus dated 17 February 2016 (the "**Original Bonds**" and, together with the Further Bonds, the "**Bonds**") on or about the date which is 40 days after the Issue Date. Upon consolidation, the aggregate principal amount of the Bonds will total £50,000,000.

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount on 19 December 2050. The Bonds are subject to redemption, in whole but not in part, at their principal amount at the option of the Issuer at any time in the event of certain changes affecting taxation in the United Kingdom. The Bonds may also be redeemed at any time at the option of the Issuer, in whole or in part, at the Redemption Price (as defined in "*Terms and Conditions of the Bonds—Condition 5(c)—Redemption at the option of the Issuer*"*). See* "*Terms and Conditions of the Bonds—Redemption and Purchase*".

The Further Bonds will bear interest from the Interest Commencement Date at the rate of 3.125 per cent. per annum payable semi-annually in arrear on 19 June and 19 December in each year, except that the first payment of interest shall be made on 19 December 2020 in respect of the period from (and including) the Interest Commencement Date to (but excluding) 19 December 2020. Payments on the Bonds will be made in sterling without deduction for or on account of taxes imposed or levied by the United Kingdom to the extent described under "*Terms and Conditions of the Bonds—Condition 7—Taxation*".

These Listing Particulars have been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority under section 79 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") as listing particulars issued in compliance with section 80 of the FSMA and listing rules made under Part VI of the FSMA (the "**Listing Rules**") for the purpose of giving information with regard to the issue of the Further Bonds. These Listing Particulars are neither (i) a prospectus for the purposes of Part VI of the FSMA nor (ii) a prospectus for purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The FCA has only approved these Listing Particulars as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, as required by LR 4.2.3. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Further Bonds that are the subject of these Listing Particulars. Investors should make their own assessment as to the suitability of investing in such Further Bonds. Applications have been made for the Further Bonds to be admitted to listing on the Official List of the FCA (the "**Official List**") and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**").

The Further Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to United States tax law requirements. The Further Bonds are being offered outside the United States by the Lead Manager (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Further Bonds will be in bearer form and in the denominations of £100,000 and higher integral multiples of £1,000 (up to and including £199,000). The Bonds will initially be in the form of a temporary global bond (the "**Temporary Global Bond**"), without interest coupons, which will be deposited on or around the Issue Date with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). The Temporary Global Bond will be exchangeable, in whole or in part, for interests in a permanent global bond (the

"**New Global Bond**"), without interest coupons, not earlier than 40 days after the Issue Date upon certification as to non U.S. beneficial ownership. The New Global Bond will thereafter represent all Bonds and the existing permanent global bond representing the Original Bonds will be cancelled. Interest payments in respect of the Further Bonds cannot be collected without such certification of non U.S. beneficial ownership. The New Global Bond will be exchangeable in certain limited circumstances in whole, but not in part, for Bonds in definitive form in the denominations of £100,000 and higher integral multiples of £1,000 (up to and including £199,000) each with interest coupons and (if applicable) talons attached. See "*Summary of Provisions Relating to the Bonds in Global Form*".

The Original Bonds are assigned a rating of Aa3 by Moody's Investors Service Limited ("**Moody's**") upon issue and it is expected that the rating of the Bonds will be the same immediately after the issuance of the Further Bonds. Moody's is established in the United Kingdom (the "**UK**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

An investment in the Further Bonds involves certain risks; for a discussion of these risks see "Risk Factors" herein.

Lead Manager

BARCLAYS

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IMPORTANT NOTICES

These Listing Particulars comprise approved listing particulars for the purposes of section 79 of the FSMA.

The Issuer accepts responsibility for the information contained in these Listing Particulars and declares that to the best of its knowledge, the information contained in these Listing Particulars is in accordance with the facts and these Listing Particulars make no omission likely to affect its import.

The Issuer has confirmed to Barclays Bank PLC (the "**Lead Manager**") that these Listing Particulars contain all information which is required by section 80 of the FSMA; these Listing Particulars are true and accurate in all material respects and are not misleading; any opinions, predictions or intentions expressed in these Listing Particulars on the part of the Issuer are honestly held or made and are not misleading and are based on reasonable assumptions; these Listing Particulars do not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading; all proper enquiries have been made to ascertain and to verify the foregoing; and these Listing Particulars have been made available to the public as required under the listing rules issued by the FCA under Part VI of the FSMA.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Further Bonds other than as contained in these Listing Particulars or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer, the Lead Manager or the Trustee.

Neither the Lead Manager nor the Trustee nor any of their respective affiliates have authorised the whole or any part of these Listing Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars or any responsibility for the acts or omissions of the Issuer or any other person (other than the Lead Manager) in connection with the issue and offering of the Further Bonds. Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Further Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of these Listing Particulars.

These Listing Particulars do not constitute an offer of, or an invitation to subscribe or purchase, any Further Bonds. The distribution of these Listing Particulars and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Lead Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Further Bonds and on distribution of these Listing Particulars and other offering material relating to the Further Bonds, see "*Subscription and Sale*".

In particular, the Further Bonds have not been and will not be registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Further Bonds may not be offered, sold or delivered within the United States or to U.S. Persons.

In these Listing Particulars, unless otherwise specified, references to "**£**" or "**sterling**" are to the lawful currency for the time being of the United Kingdom. References to "billions" are to thousands of millions.

Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

PROHIBITION OF SALES TO EEA OR UK RETAIL INVESTORS – The Further Bonds 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 (the "**EEA**") or the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), 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 (the "**PRIIPs Regulation**") for offering or selling the Further Bonds or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Further Bonds or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET– Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Further Bonds has led to the conclusion that: (i) the target market for the Further Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Further Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Further Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Further Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Further Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

In connection with the issue of the Further Bonds, Barclays Bank PLC (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over allot Further Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Further Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Further Bonds and 60 days after the date of the allotment of the Further Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Further Bonds are legal investments for it, (2) the Further Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Further Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the FCA and shall be deemed to be incorporated in, and to form part of, these Listing Particulars **provided however that** any statement contained in any document incorporated by reference in, and forming part of, these Listing Particulars shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained herein modifies or supersedes such statement:

- the audit report, the consolidated financial statements, the statement of accounting policies and the notes to the financial statements of the Issuer for the financial year ended 31 July 2018 which are contained at pages 28 – 70 in the Issuer's 2017/2018 Annual Report (the "**2018 Financial Statements**"); and

- the audit report, the consolidated financial statements, the statement of accounting policies and the notes to the financial statements of the Issuer for the financial year ended 31 July 2019 which are contained at pages 32 – 76 in the Issuer's 2018/2019 Annual Report (the "**2019 Financial Statements**" and, together with the 2018 Financial Statements, the "**Issuer Financial Statements**").

Such documents will be made available, free of charge, during usual business hours at the specified offices of the Paying Agent and on the website of the Issuer at https://www.leeds.ac.uk/downloads/download/72/corporate_publications, unless such documents have been modified or superseded.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in these Listing Particulars is either not relevant to investors or is covered elsewhere in these Listing Particulars and, for the avoidance of doubt, unless specifically incorporated by reference into these Listing Particulars, information contained on the Issuer's website does not form part of these Listing Particulars.

Any document which is incorporated by reference into any of the documents deemed to be incorporated in, and form part of, these Listing Particulars shall not constitute a part of these Listing Particulars.

OVERVIEW

This overview must be read as an introduction to these Listing Particulars and any decision to invest in the Further Bonds should be based on a consideration of the Listing Particulars as a whole.

Words and expressions defined in the "Terms and Conditions of the Bonds" below or elsewhere in these Listing Particulars have the same meanings in this overview.

The Issuer:	The University of Leeds.
Lead Manager:	Barclays Bank PLC.
Trustee:	HSBC Corporate Trustee Company (UK) Limited.
Principal Paying Agent:	HSBC Bank plc.
The Further Bonds:	£50,000,000 3.125 per cent. Bonds due 2050 (to be consolidated and form a single series with the £250,000,000 3.125 per cent. Bonds due 2050 issued on 19 February 2016).
Issue Price:	138.562 per cent. of the principal amount of the Bonds (plus 39 days' accrued interest in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Issue Date).
Original Issue Date:	19 February 2016.
Issue Date:	28 July 2020.
Interest Commencement Date:	19 June 2020.
Use of Proceeds:	The net proceeds of the issue of the Further Bonds will be used by the Issuer for achieving its non-profit making activities, including, but not limited to, general corporate purposes. See "*Use of Proceeds*".
Interest:	The Further Bonds will bear interest from the Interest Commencement Date at a rate of 3.125 per cent. per annum payable semi-annually in arrear on 19 June and 19 December in each year, except that the first payment of interest shall be made on 19 December 2020 in respect of the period from (and including) the Interest Commencement Date to (but excluding) 19 December 2020.
Status:	The Bonds will constitute direct, unsecured and unconditional obligations of the Issuer.
Form and Denomination:	The Further Bonds will be issued in bearer form in the denominations of £100,000 and higher integral multiples of £1,000 (up to and including £199,000). The Temporary Global Bond and the New Global Bond are to be issued in new global note form.
Final Redemption:	19 December 2050.
Optional Redemption:	On giving not less than 10 nor more than 20 days' notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 15 (*Notices*), the Issuer may redeem some or all of the Bonds for the time being outstanding at any time at the Redemption Price together with interest accrued to (but excluding) the date of redemption. See Condition 5(c) (*Redemption at the option of the Issuer*).

Tax Redemption:	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, in the event of certain changes affecting taxation in the United Kingdom. See Condition 5(b) (*Redemption for tax reasons*).
Negative Pledge:	So long as any of the Bonds remain outstanding, the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness of the Issuer or any guarantee or indemnity by the Issuer in respect of any Relevant Indebtedness without (a) at the same time or prior thereto securing the Issuer's obligations under the Bonds, the Coupons and the Trust Deed equally and rateably therewith or (b) providing such other security for the Issuer's obligations under the Bonds, the Coupons and the Trust Deed as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders. See Condition 3 (*Negative Pledge*).
Cross Default:	The Trustee may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality if (i) any Indebtedness of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period; or (ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or (iii) the Issuer fails to pay when due any amount payable by it under any guarantee for, or indemnity in respect of, any Indebtedness, **provided that** the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee or indemnity referred to in sub-paragraph (iii) above individually or in the aggregate exceeds £25,000,000 (or its equivalent in any other currency or currencies). See Condition 8(c) (*Cross-default of Issuer*).
Withholding Tax:	All payments of principal and interest in respect of the Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment in the limited circumstances set out in Condition 7 (*Taxation*).

Rating:	The Original Bonds are assigned a rating of Aa3 by Moody's and it is expected that the rating of the Bonds will be the same immediately after the issuance of the Further Bonds. Moody's is established in the UK and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Governing Law:	The Bonds, the Trust Deed, the Paying Agency Agreement and any non-contractual obligations arising out of or in connection with any of them will be governed by English law.
Listing and Trading:	Applications have been made for the Further Bonds to be admitted to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange.
Clearing Systems:	Euroclear and Clearstream, Luxembourg.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of the Further Bonds and on the distribution of offering materials in the United Kingdom, the United States and Singapore see "*Subscription and Sale*".
Risk Factors:	Investing in the Further Bonds involves risks. See "*Risk Factors*".
Website of the Issuer:	https://www.leeds.ac.uk/
Temporary ISIN:	XS2206599925
Temporary Common Code:	220659992
ISIN:	XS1366919535
Common Code:	136691953

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Further Bonds.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Further Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Further Bonds, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Further Bonds for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Further Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in these Listing Particulars and reach their own views prior to making any investment decision.

A. RISKS RELATING TO THE ISSUER

1. Fees and Funding

(a) Tuition Fees

The Issuer does not have complete control over the tuition fees that it is able to charge to United Kingdom ("UK") and European Union ("EU") undergraduates and this could have an impact on the revenue generated by the Issuer from its teaching activities

The Issuer does not have complete freedom over the amount that it can charge UK/EU undergraduate students for tuition. While the Issuer can set a fee above the basic amount set by the UK Government (which, from 1 August 2019, is £6,165 per annum for all eligible institutions) in relation to a year and a course, the fee must not exceed the maximum amount specified by the UK Government. With effect from 1 August 2019, The Higher Education (Fee Limits and Fee Limit Condition) (England) Regulations 2018 indicated £9,250 as the maximum amount for all eligible institutions. The Issuer is an eligible institution and it has applied the maximum tuition fee of £9,250 per annum to all UK/EU undergraduate students enrolling from September 2019 (see "*The Issuer's ability to charge the maximum undergraduate tuition fees for UK/EU students is dependent upon the Issuer, in compliance with the Office for Students ("OfS") condition of registration (A1), having in force, and taking all reasonable steps to comply with, an Access and Participation Plan as approved by the OfS").* The independent panel chaired by Philip Augar issued its report "Review of Post-18 Education and Funding" in May 2018 (the "**Augar review**"). The report recommended that the UK fee should be reduced to £7,500, with targeted grants to institutions to fund higher cost subjects. The UK Government has stated that the recommendations of the Augar review are being considered, however, it remains unclear whether the proposed changes to fee levels will be implemented. The overall impact on the Issuer's income is negligible if the Augar proposals were fully implemented, on the assumption that targeted grant funding will be provided by HM Treasury to support high-cost and high-value subjects. For the time being, the level of tuition fees for undergraduate UK students in 2020/21 remains frozen at £9,250.

Accordingly, the Issuer does not have complete control over the tuition fees it is able to charge to UK/EU undergraduates, and this may have an impact on the income it derives from teaching these students.

The Issuer's ability to charge the maximum undergraduate tuition fees for UK/EU students is dependent upon the Issuer, in compliance with the Office for Students ("OfS") condition of registration (A1), having in force, and taking all reasonable steps to comply with, an Access and Participation Plan as approved by the OfS

The maximum tuition fee for undergraduate students from the UK and the EU described above is dependent upon compliance with the OfS condition of registration (A1); therefore in order to be able to charge any rate higher than the basic amount, the Issuer must have in force, and take all reasonable steps to comply with, its Access and Participation Plan as approved by the OfS.

The OfS has approved the Issuer's five year (2020-2025) Access and Participation Plan.

If the Issuer fails to comply with the OfS condition of registration (A1) it may lose its ability to charge the maximum level of tuition fees for UK/EU undergraduate students. Such a reduction in the level of tuition fees would reduce the revenue generated by the Issuer from its teaching activities.

Failure to comply with the criteria set by the OfS could result in the Issuer no longer being able to charge the maximum tuition fees which would result in a real terms reduction in income, and place the Issuer at a financial disadvantage compared with universities that have continued to be eligible to apply the maximum uplift.

There are risks that the current fee levels for non-UK, non-EU ("International Students") and UK/EU postgraduate students cannot be maintained

Although the Issuer is not subject to a fee cap in relation to international undergraduate students or postgraduate students (both UK/EU and international) and is therefore able to set higher fees than those that apply for undergraduate UK/EU students, the maintenance of its fee levels cannot be guaranteed.

The capacity of the Issuer to set fee levels for international undergraduate students and postgraduate students is, to an extent, determined by market forces. The Issuer is competing in a global market and its ability to attract students and command particular fee levels will depend on, amongst other things, prevailing global economic and political conditions, its competitors and the international reputation of the Issuer more generally.

If the Issuer is unable to maintain the current fee levels charged to these groups of students, this could reduce the Issuer's fee income and could impact on the overall revenue of the Issuer. While the recent trend has been an increase in the number of applications from international undergraduate and postgraduate students, the flow of International Students enrolling on courses at the Issuer cannot be guaranteed. See also "*COVID-19 - Potential impact of the COVID-19 (Coronavirus) pandemic*" below.

(b) Research

Significant changes are being made to the way in which the UK Government provides funding for research that could impact adversely upon the Issuer's research funding

With effect from 1 April 2018, public funding for research in English higher education has been overseen by UK Research and Innovation ("**UKRI**"). Research England (which is a component of UKRI) provides block grants for eligible higher education providers to support their research infrastructure and enable their research activities ("**Quality Research** ("**QR**") **Funding**"). The dual support system had previously been controlled by Research Councils and the Higher Education Funding Council for England ("**HEFCE**"). The Research Councils retain responsibility for allocating research project funding, but are now part of UKRI.

The level of QR Funding received by the Issuer is linked to its performance in the Research Excellence Framework ("**REF**") (a system of assessing the quality of research in UK higher education institutions, last completed in 2014) relative to the rest of the sector. In the 2018/19 academic year, 5.6 per cent. of the Issuer's total income was provided by QR Funding. If there is a reduction in the overall allocation for research Funding by the UK Government, the amount of research funding received by the Issuer could fall. In addition, the continued success of the Issuer in relation to its research activities cannot be guaranteed. A change in the Issuer's REF performance could impact adversely on the level of QR block grant received by the Issuer.

Through Research England and the Research Councils, UKRI has responsibility for overseeing both QR Funding for research infrastructure and for competitively won grants for specific research projects and programmes. UKRI assumed these responsibilities in April 2018. There is a risk that UKRI will adopt different criteria in allocating grant funding to institutions in the future, and as a result the Issuer's overall research funding could be reduced.

Further changes to UK Government support for research cannot be ruled out. The UK Government has signalled its intention to support the increase of UK Research and Development to 2.4 per cent. of GDP. This should aid the continued success of the Issuer in relation to its research activities which is vital to maintaining the Issuer's ranking amongst other global academic institutions and to attracting further research funding, but its success is not guaranteed.

The UK Government has funded a number of dedicated research institutes in the last few years, including The Alan Turing Institute, The Rosalind Franklin Institute and The Henry Royce Institute which the Issuer has been a participant in to date and anticipates being a party to similar initiatives in the future. If the UK Government decides to centralise research funding into such institutes or otherwise concentrates research funding, there may be a reduction in the level of research funding that the Issuer receives directly from UK Government sources.

The Issuer receives research grant income from publicly-funded Research Councils, UK Government departments, charitable foundations and the EU, and through collaborations with the private sector none of which can be guaranteed to continue in the future

The second limb of the public funding dual support system referred to above comes from competitively won grants for specific research projects and programmes provided by UKRI through the UK Research Councils. The Issuer also receives a significant proportion of its research grant income from UK and foreign charitable foundations, the EU, UK Government departments and through collaborations with the private sector. The Issuer's research income from sources other than UK Research Councils in 2018/19 was £79.9 million. Of this £24.3 million came from UK based charities, £22.3 million from the UK Government and £18.0 million from the European Commission. Further, the possibility of changes to the funding available to these sources, and hence the funds available to them to support research activities, cannot be excluded. In addition, the continued success of the Issuer in relation to competitively won research grants cannot be guaranteed.

The Issuer receives benefactions, capital grants, and unrestricted and restricted donations from individuals and charities and through its engagement with the private sector. The level of such financial support is determined by the Issuer's success in fundraising, economic conditions and the ability and willingness of the donors to support the Issuer. The level of funding therefore cannot be guaranteed.

2. COVID-19

Potential impact of the COVID-19 (Coronavirus) pandemic

In March 2020, the World Health Organisation declared the outbreak of a new communicable disease known as "COVID-19", caused by the severe acute respiratory syndrome coronavirus 2 (commonly known as SARS-CoV-2), to be a pandemic. COVID-19, first identified in China in December 2019, has spread rapidly in almost all regions around the globe, and has resulted in a rapid deterioration of the political, socio-economic and financial situation globally.

The Issuer cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) the duration or expansion of related business closings, public health orders, regulations and legislation; and (iii) what effect the COVID-19 pandemic will continue to have on global, national and local economies, including whether a recession may be triggered.

The pandemic is likely to lead to a temporary budget deterioration, resulting from increased costs and a reduction in income, for universities in the United Kingdom, including the Issuer as follows:

- Enrolments for domestic and international students are likely to be significantly lower than pre-outbreak forecasts for 2020/21 due to uncertainty around modes of education delivery (e.g. online or a hybrid of online and face to face), campus closures, health and safety concerns, and potential travel restrictions. The Issuer relies on international student income for approximately 25 per cent. of its forecast 2021 income.

- The implementation of international and domestic student enrolment restrictions to avoid intense competition between universities. Such as the UK Government measures announced on 4 May 2020, which included reinstating temporary student number controls for the 2020 recruitment cycle and limiting growth of domestic undergraduate recruitment by institutions to 5 per cent. more than pre-outbreak plans.

- If the university campus is partially or fully closed at the start of the academic year, students may opt to defer. The Issuer anticipates some shortfall in income from residences, catering and conferences as a result of lower student numbers, the general economic situation and social distancing measures.

- Income from research funding could be delayed or deferred. Potential unproductive research costs as some grant extensions are unlikely to be funded.

- Additional costs are expected to occur as a result of mitigation strategies associated with the coronavirus, e.g. higher IT costs to enable remote working, enhance the delivery of online education and assessments, and preparing the University campus and facilities for a safe re-entry.

- The risk of cyber-attack has been significantly increased as a result of COVID-19, as a result of staff working from home (see also "*Other risks*" below).

- Increased contributions to pension and benefit schemes as a result from the volatility in the financials market.

The occurrence of one or more of the above events could further contribute to the University's budget deterioration and consequently materially affect the Issuer's business and prospects.

See also "*Description of the Issuer – Recent Developments and Outlook*" for further details.

3. UK Exit from the EU and UK Immigration Policy

A significant proportion of the Issuer's research funding comes from EU research funding programmes, and there is no guarantee that such funding will still be available once the EU exit transition period negotiations have completed

In 2018/19, 11.9 per cent. of the Issuer's research income came from the European Commission (£18.0 million). Following the UK's exit from the EU on 31 January 2020, the UK Government shared its approach to the transition period negotiations with the EU in "*The Future Relationship with the EU – The UK's Approach to Negotiations*" White Paper published in February 2020. Within this White Paper, the UK Government has indicated it is ready to consider standard third country participation in certain EU Programmes, including the participation of the UK in EU research and innovation programmes, such as Horizon Europe, where there is a mutual interest to do so, but a final agreement is pending.

Even if the Issuer continues to bid for competitive EU funding on the back of these government assurances, there is no guarantee that such bids will be successful or that EU research partners will continue to collaborate with UK universities on competitive bids.

There is a risk that the numbers of EU students choosing to study in the UK will fall as a result of the UK's exit from the EU

On a full-time equivalent basis, in 2018/19 the Issuer had 1,666 undergraduate students, and 510 postgraduate students (including postgraduate taught students and postgraduate research students) from the EU (excluding the UK). The UK Government announced in June 2020 that students from the EU will no longer be eligible for home fee and finance status in England from August 2021 (from the 2021/22 academic year), placing them in the same fee bracket as other International students. As the fees for EU students will significantly rise, the number of EU students attending courses offered by the Issuer will potentially reduce.

Currently, undergraduate EU students at the Issuer make up just over 6 per cent. of the total student population. Given the uncertainty as to how the UK's exit of the EU will affect EU student numbers, there is a risk that applications from EU students will now decline.

As at 31 July 2019, the Issuer employed 823 staff from EU Member States other than the UK, from a total staff population of 9,450. Of the Issuer's total academic staff, 14 per cent. are from the EU. The UK Government has established the EU settlement scheme, designed to offer EU, non-EU EEA and Swiss citizens and their eligible family members living in the UK before the end of the transition period the opportunity to protect their residence in the UK once this transition period has ended.

There remains uncertainty about the ability of UK universities to attract and retain staff who are EU citizens from 1 January 2021.

There have been changes, and may be further changes, to the UK's immigration system which could impact negatively on the Issuer's ability to attract and recruit the best international academics and students

A revised points-based immigration system was launched in February 2020, which will take effect from 1 January 2021. The policy objectives are to control migration more effectively, end free movement, reassert control of the UK borders and restore public trust in the immigration system. Student visas will also be points-based. This could have implications for the Issuer's capacity to attract the best international academics and students.

4. Teaching Excellence and Student Outcomes Framework ("TEF")

The TEF is intended to assess the quality of, and the standards applied to, higher education providers across the sector in England. Participation in the TEF is a condition of registration (B6) with the Office for Students and an unfavourable rating could have both a financial and reputational impact on the Issuer

Section 25 of The Higher Education and Research Act 2017 ("**HERA**") makes provision for the OfS to assess, or make arrangements for the assessment of, the quality of, and the standards applied to, higher education provided by English higher education providers. To this end, the TEF process assesses excellence in teaching at higher education providers, and how each provider ensures excellent outcomes for their students in terms of graduate-level employment or further study. For English higher education providers, participation in the TEF is a condition of registration (B6) with the OfS.

TEF ratings are currently based on a number of metrics, which include aspects of the National Student Survey, the Issuer's success in retaining students and the results of the Graduate Outcomes Survey (which surveys graduate destinations approximately 15 months following graduation), alongside the Issuer's narrative submission, with TEF ratings assessed and awarded by an independent panel of students, academics and other experts. It is anticipated that the TEF will continue to develop over time, with future evolutions, including the potential for a subject-level TEF, subject to the Government's pending response to the independent review led by Dame Shirley Pearce.

In the most recent TEF assessment that the Issuer participated in (for the academic year 2018/2019), institutions were awarded ratings of "Gold", "Silver" and "Bronze" and the Issuer has been awarded the highest rating of "Gold"; this rating remains valid until at least 2021.

All institutions achieving a rating of "Gold", "Silver" or "Bronze" are eligible to charge up to the upper fee cap of £9,250 per annum. The HERA provides that the performance of the Issuer in the TEF (or any subsequent ratings system) and receipt of a "high level quality rating" will determine whether or not the Issuer can continue to charge the maximum tuition fee. As such, any future fluctuations in the Issuer's performance on TEF metrics, including potentially at subject level, may affect its institutional TEF rating and, consequently, its eligibility to continue to charge the maximum tuition fee as an approved (fee cap) provider. Such a reduction in the level of tuition fees would reduce the revenue generated by the Issuer from its teaching activities; it may also have a reputational impact.

5. Ability for postgraduate students to obtain funding

Given the changes outlined above in relation to the funding environment, there is uncertainty over whether postgraduate student numbers can be maintained with an associated impact on fee income

The Issuer's postgraduate student numbers have increased significantly over the last 4 years from 8,214 in 2015/16 to 11,188 in 2019/20, with approximately 80,000 applications received for the 2019/20 academic year and intake of 8,427. Compared to the 2018/19 academic year, current figures show applications from the UK having increased by 1 per cent., those from the EU having reduced by 12 per cent. and non-EU international applications having increased by 27 per cent.

The UK Government has introduced a postgraduate student loans scheme and increasing numbers of postgraduate students are accessing this funding source. Slightly less students have applied for a postgraduate loan for the current year than was the case last year (1,504 applications in 2019/20 compared to 1,540 in 2018/19). It is possible that undergraduate debt may impact the number of students wishing to progress from undergraduate to postgraduate study.

Given the increased student loan liability incurred by undergraduate students from the UK or other EU Member States, there is no guarantee that the numbers of postgraduate students from the UK and other EU Member States will remain at their current levels.

6. Reputation

Reputation risk

The Issuer is a leading academic institution and has a reputation as a leading teaching and research institution. This reputation has been built up over a long time since its incorporation in 1904. The Issuer's reputation is an important factor in attracting the best academics and the best students. If, for example, the integrity of research, admissions or standards of teaching were to be called into question, this would have the potential to damage the reputation of the Issuer.

There is an increasing expectation from the UK Government that universities deliver research benefits to society in a range of forms including in relation to the economy, society, culture, public policy and services, health, the environment and quality of life. Failure by academic staff to engage with external stakeholders and demonstrate impact from their research and knowledge exchange activity could reduce access to research and knowledge exchange funding and damage the Issuer's institutional reputation. Additionally, failure to implement systems, processes and support structures to incentivise, support, monitor and capture this impact may lead to a competitive disadvantage compared to other universities. It will also reduce the opportunity for the Issuer to benefit from promoting its contribution to wider society. The outcome of the Research Excellence Framework which was announced in December 2014 indicated that over 80 per cent. of the Issuer's research had a top quality rating of either 'world leading' or 'internationally excellent'.

The main risks to the Issuer's reputation include those arising from international collaborations, extremism, industrial relations, student dissatisfaction and compliance with national or international regulations.

Philanthropic donations and research funding are accepted from donors and funders who are subject to scrutiny to ensure that the acceptance of such funds is in the best interests of the Issuer. The public perception of donors and funders may change, and this could have an adverse impact on the acceptability of the funds and the Issuer's reputation.

A failure to manage reputational risk effectively could therefore materially affect the Issuer's business and prospects.

A deterioration in employee relations with the Issuer's staff and trade unions could lead to industrial action and impact on the Issuer's reputation, research and teaching functions

The need to maintain a focus on efficiency and pay restraint in the light of external financial challenges, coupled with the need to review pension schemes to ensure that they are adequately funded, may lead to a deterioration in employee relations with its staff and trade unions. The University and College Union ("**UCU**") is currently in dispute with employers nationally regarding its members' pay and conditions. Nationally UCU is also in dispute with relevant employers regarding the USS (as defined below). UCU took industrial action on both matters during the course of the 2019/20 academic year, and might do so again. Industrial action could impact on the Issuer's reputation (e.g. students being unable to graduate, complaints from students and stakeholders, and impact on student experience), research projects, teaching functions and quality and standards.

Students and stakeholders may seek compensation or other forms of legal redress. The Issuer regularly engages with the three recognised trade unions (Unison, Unite and the UCU) and the Issuer continues, via its human resources department, to engage in regular discussions with them and develop partnerships. However, it is possible that such interactions may result in potential delay (and dispute) in respect of the implementation of efficiency measures and changes.

7. Regulation

HERA has reformed the regulatory framework of higher education and has replaced HEFCE and the Office for Fair Access ("OFFA") with the OfS which has an explicit duty to promote choice and consider the students', employers' and taxpayers' interest in all its regulatory and funding decisions. OfS is

intended to have a range of powers to ensure compliance with its conditions of registration which could have a negative impact on the Issuer if it fails to comply

As part of the implementation of HERA, the OfS was established to replace the previous funding body, HEFCE. Under HERA, OfS has a wider remit and greater powers than its predecessors. HERA grants powers to the OfS to enable it to meet the UK Government policy object of promoting choice and consideration of the students', employers' and taxpayers' interest in all its regulatory and funding decisions.

Under its powers set out in HERA, the OfS has published a regulatory framework (Securing Student Success: Regulatory Framework for Higher Education in England) which details, amongst other things, the ongoing conditions for registration applying to providers of higher education in England. The OfS maintains a register of English higher education providers and determines the conditions that a provider must meet if it is to remain on that register. Registration as a higher education provider is a requirement for accessing student support via the Student Loans Company Limited and grant funding and for the institution being licensed to sponsor migrants under Tier 4 of the UK's points-based immigration system. If the Issuer fails to meet the conditions of its registration imposed by OfS, this could lead to a monetary penalty being imposed or the Issuer being suspended or removed from the register of English higher education providers and it would no longer be eligible to receive grants from Research England.

The OfS has also been given the power, subject to conditions, to vary or revoke authorisations to award degrees and the power to revoke authorisation to use the university title.

8. Endowment fund and Pension Schemes

The value of the Issuer's endowments can fall as well as rise

The total endowment assets of the Issuer were valued at £82.3 million as at 31 July 2019. The value of the Issuer's investments, and the income received from them, could fall as well as rise and therefore the income, return and the availability of funding to the Issuer from the endowment assets could vary considerably.

The Issuer's endowment assets are restricted for specific purposes

All of the endowment assets reported within the balance sheet of the Issuer are restricted for specific purposes and must be applied solely for the purpose for which they were given to the Issuer. The value of the Issuer's endowment assets is therefore not available to holders of the Bonds or other creditors of the Issuer.

There are financial risks associated with the pension schemes in which the Issuer participates which could have adverse impacts on the Issuer

The principal pension schemes in which the Issuer participates are:

- the Universities Superannuation Scheme ("**USS**"), which is the Issuer's principal scheme for academic and academic-related staff;
- the University of Leeds Pension and Assurance Scheme ("**PAS**");
- the University of Leeds Defined Contribution Scheme ("**DC plan**"); and
- the NHS Pension Scheme ("**NHSPS**").

The USS is a large multi-employer scheme which is used by other institutions in addition to the Issuer. As a result of the mutual nature of the scheme, its assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The Issuer is therefore exposed to the actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As such, and as required by FRS 102, the Issuer accounts for the USS scheme as if it was a defined contribution scheme.

The participating employers in USS individually have limited ability to influence the way USS is managed and invested. In addition, in the event of the withdrawal of any of the participating employers, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers (including the Issuer) and reflected in the next actuarial valuation of the scheme.

The Issuer operates two pension schemes for those staff not eligible to join the USS. The PAS scheme consists of two sections: a final salary section that was closed to new entrants in April 2013 and a Career Average Revalued Earnings ("**CARE**") section. New employees are automatically enrolled into the DC plan and have the option to join the CARE scheme.

The Issuer also participates in the NHSPS which is an unfunded UK Government-backed scheme in respect of which the Issuer is exposed to the risk of increased contributions.

With the exception of the DC plan, given the current status of the pension scheme described above, it is possible that the Issuer may be required to make further payments in respect of those schemes which could have an adverse impact on the Issuer's finances.

9. Other risks

The introduction of the General Data Protection Regulation

In May 2018, the General Data Protection Regulation (Regulation (EU) 2016/679) came into effect, with potential regulatory fines for breach of data protection law. The Information Commissioner has the power to ban or restrict an organisation in breach from processing data. It has placed a range of stronger obligations on data controllers, including reporting certain data breaches promptly. Fines, data breaches, bans or restrictions, with attendant reputational risks, could affect the Issuer's operations and prospects.

Cyber security

There is a risk to fail to properly secure the University's IT infrastructure leading to major data leaks, breaches and significant cyber security attacks. Such data breaches or attacks could affect the Issuer's IT services, its ability to operate and damage its reputation. The requirement for short term remote working for most staff as a result of the COVID-19 pandemic has increased the potential threats of email scams, more sophisticated phishing attacks and the need to bolster Virtual Private Network (VPN) connectivity and security.

B. RISK RELATING TO THE BONDS

There is no active trading market for the Further Bonds

The Further Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Further Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Further Bonds to be admitted to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such applications will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Further Bonds.

The Bonds may be redeemed prior to maturity

If the Issuer would be obliged to increase the amounts payable in respect of any Bonds due to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Bonds in accordance with their terms and conditions (the "**Conditions**").

In addition the Conditions provide that the Bonds are redeemable at the Issuer's option and accordingly the Issuer may choose to redeem the Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds.

Because the Temporary Global Bond and the New Global Bond are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

The Further Bonds will initially be represented by the Temporary Global Bond and thereafter by a New Global Bond except in certain limited circumstances described in the New Global Bond. The Temporary Global Bond and the New Global Bond will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the New Global Bond, investors will not be entitled to receive Definitive Bonds (as defined below). Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Temporary Global Bond and the New Global Bond. While the Further Bonds are represented by the Temporary Global Bond or the New Global Bond, investors will be able to trade beneficial interests in the Further Bonds only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Further Bonds by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the New Global Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Further Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the New Global Bond.

Holders of beneficial interests in the Temporary Global Bond or the New Global Bond will not have a direct right to vote in respect of the Further Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Minimum Denomination

As the Bonds have denominations consisting of the minimum denomination of £100,000 and higher integral multiples of £1,000 (up to and including £199,000), it is possible that the Bonds may be traded in amounts in excess of £100,000 that are not integral multiples of £100,000. In such case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination of £100,000 may not receive a Definitive Bond in respect of such holding (should Definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that its holding amounts to that minimum denomination.

Credit Rating

The Original Bonds are assigned a rating of "Aa3" by Moody's and it is expected that the rating of the Bonds will be the same immediately after the issuance of the Further Bonds. Moody's is established in the EEA and registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Bonds.

Exchange rate risks and exchange controls

Payments of principal and interest on the Bonds will be made in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

The Bonds bear interest at a fixed rate. An investment in the Bonds during that time involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Modifications, waivers and substitution

The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of the Conditions or the Trust Deed and to obtain written resolutions of Bondholders without calling a meeting.

Any modification of the Conditions or the Trust Deed may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Bondholders holding not less than one-quarter of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing at least one-third of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; **provided, however, that** certain proposals (including any proposal to delay or extend any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than one-half or, at any adjourned meeting, not less than one-quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

A written resolution signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed and whose Bonds are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Bonds are held in global form in Euroclear and Clearstream, Luxembourg, the Issuer and the Trustee (as the case may be) will be entitled to rely upon:

(i) where the terms of the proposed resolution have been notified through the relevant clearing system(s) as provided in the Trust Deed, approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds for the time being outstanding; and

(ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer and/or the Trustee (as the case may be) by (a) accountholders in the clearing systems with entitlements to the New Global Bond and/or, (b) where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above.

A written resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Bondholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Bondholders satisfying the special quorum in accordance with the provisions of the Trust Deed, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Bondholders, agree to any modification of the Conditions, the Trust Deed or the Paying Agency Agreement (other than in respect of a Reserved Matter), if in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of the Bondholders and to any other modification of the Conditions, the Trust Deed or the Paying Agency Agreement which is in its opinion of a formal, minor or technical nature or to correct a manifest error. The Trustee may also agree, without the consent of Bondholders, to (i) the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Bonds or the Trust Deed or (ii) determine without the consent of the Bondholders that any Event of Default or Potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Bonds in place of the Issuer, in each case in the circumstances described in Condition 12 and the Trust Deed.

Accordingly, there is a risk that the terms of the Bonds may be modified, waived or amended in circumstances where a Bondholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Bondholder.

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the Conditions of the Further Bonds which, upon issue, will be the Terms and Conditions applicable to all Bonds and (subject to amendment) will be endorsed on each Bond in definitive form (if issued):

The £50,000,000 3.125 per cent. Bonds due 2050 (the "**Further Bonds**"), to be consolidated and form a single series with the £250,000,000 3.125 per cent. Bonds due 2050 (the "**Original Bonds**", and together with the Further Bonds, the "**Bonds**", which expression includes any further Bonds issued pursuant to Condition 14 (*Further Issues*) and forming a single series therewith) of The University of Leeds (the "**Issuer**") are constituted by the trust deed dated 19 February 2016 between the Issuer and HSBC Corporate Trustee Company (UK) Limited as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed (as defined below)), as supplemented by a first supplemental trust deed dated 28 July 2020 between the same parties (the "**Supplemental Trust Deed**"), as amended or supplemented from time to time (together, the "**Trust Deed**"). The Issuer, HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Bonds) and the Trustee have entered into a first supplemental paying agency agreement dated 28 July 2020 in relation to the Further Bonds, which is supplemental to the paying agency agreement dated 19 February 2016 entered into between the same parties in relation to the Original Bonds, (as further amended or supplemented from time to time) (together, the "**Paying Agency Agreement**"). Certain provisions of these Conditions are summaries of the Trust Deed and the Paying Agency Agreement and subject to their detailed provisions. The holders of the Bonds (the "**Bondholders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively, which expressions shall, unless the context otherwise requires, include the holders of the talons for further Coupons (the "**Talonholders**") and the "**Talons**", respectively) are bound by and have the benefit of the Trust Deed and are deemed to have notice of all the provisions of the Trust Deed and the Paying Agency Agreement applicable to them. Copies of the Trust Deed and the Paying Agency Agreement are available for inspection by Bondholders during normal business hours at the Specified Offices (as defined in the Trust Deed) of each of the Paying Agents, the initial specified offices of which are set out below.

1. Form, Denomination and Title

The Bonds are serially numbered and in bearer form in denominations of £100,000 and higher integral multiples of £1,000 up to and including £199,000 with Coupons and Talons attached at the time of issue. Bonds of one denomination will not be exchangeable for Bonds of another denomination. Title to the Bonds, the Coupons and the Talons will pass by delivery. The holder of any Bond, Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of the Bonds, the Coupons or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

2. Status

The Bonds and the Coupons constitute direct, unconditional and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by applicable laws relating to creditors' rights.

3. Negative Pledge

So long as any of the Bonds remains outstanding (as defined in the Trust Deed), the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness of the Issuer or any guarantee or indemnity by the Issuer in respect of any Relevant Indebtedness without (a) at the same time or prior thereto securing the Issuer's obligations under the Bonds, the Coupons and the

Trust Deed equally and rateably therewith or (b) providing such other security for the Issuer's obligations under the Bonds, the Coupons and the Trust Deed as the Trustee may in its absolute discretion consider to be not materially less beneficial to the interests of the Bondholders or as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of Bondholders.

In these Conditions:

"**Relevant Indebtedness**" means any indebtedness for money borrowed or raised which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which, for the time being, is, or is intended by the Issuer to be, listed, quoted, dealt in or traded on any stock exchange or regulated securities market; and

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

4. **Interest**

The Original Bonds bear interest from 19 February 2016 (the "**Original Issue Date**") and the Further Bonds bear interest from 19 June 2020 (the "**Interest Commencement Date**"), at the rate of 3.125 per cent. per annum, (the "**Rate of Interest**") payable semi-annually in arrear on 19 June and 19 December in each year (each, an "**Interest Payment Date**"), except that the first payment of interest shall be made on 19 December 2020 (also, an "**Interest Payment Date**") in respect of the period from (and including) the Interest Commencement Date to (but excluding) such Interest Payment Date, subject as provided in Condition 6 (*Payments*).

The amount of interest payable on the first Interest Payment Date shall be £25.96 per £1,000 (the "**Calculation Amount**"). The amount of interest payable on any other Interest Payment Date shall be £15.63 per Calculation Amount. The period from and including the Original Issue Date to but excluding the initial Interest Payment Date, and each period from and including one Interest Payment Date to but excluding the next Interest Payment Date shall constitute an "**Interest Period**".

Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (b) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

If interest is required to be paid in respect of a Bond on any date other than an Interest Payment Date, it shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by a fraction (a) the numerator of which is the number of days from (and including) the most recent Interest Payment Date (or from the Interest Commencement Date if such period is before the first scheduled Interest Payment Date) to (but excluding) the date of payment; and (b) the denominator of which is the number of days (including the first such day and excluding the last such day) in the scheduled Interest Period in which the relevant calculation period falls multiplied by two, rounding the resulting figure to the nearest penny (half a penny being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Bond divided by the Calculation Amount.

5. **Redemption and Purchase**

(a) ***Scheduled redemption***: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 19 December 2050, subject as provided in Condition 6 (*Payments*).

(b) ***Redemption for tax reasons***: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 15 (*Notices*) (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Original Issue Date; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Bonds were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) an opinion in form and substance satisfactory to the Trustee of independent legal, accounting or other advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and rely on such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above without liability to any person for so doing, in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 5(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 5(b).

(c) ***Redemption at the option of the Issuer***: On giving not less than 10 nor more than 20 days' notice to the Bondholders in accordance with Condition 15 (*Notices*), the Issuer may redeem some or all of the Bonds for the time being outstanding at any time at the Redemption Price (as defined below) together with interest accrued to (but excluding) the date of redemption (the "**Redemption Date**").

The "**Redemption Price**" shall be: (i) if the Redemption Date falls on or after 19 September 2050 the principal amount of the Bonds to be redeemed, or (ii) otherwise, the higher of: (a) the principal amount of the Bonds to be redeemed; and (b) the product of the principal amount of the Bonds to be redeemed and the price, expressed as a percentage (rounded to three decimal places, with 0.005 being rounded down), (as reported in writing to the Issuer and the Trustee by an independent financial adviser (a "**financial adviser**") appointed by the Issuer and approved by the Trustee) at which the Gross Redemption Yield on the Bonds on the Calculation Date is equal to the sum of (A) the Gross Redemption Yield at 11.00 a.m. (London time) on such date of the 4.250 per cent. Treasury Stock due December 2049 (or, where such financial adviser advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other government stock with an appropriate average life of maturity, as applicable, as such financial adviser may recommend) and (B) 0.15 per cent.

For such purposes:

"**Business Day**" means a day on which banks are generally open for business in London;

"**Calculation Date**" means the date which is the second Business Day prior to the date on which the notice to redeem is dispatched; and

"**Gross Redemption Yield**" means a yield, expressed as a percentage, calculated by the financial adviser on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 5, Section One: Price/Yield Formulae (Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date) (published on 8 June, 1998 and updated on 15 January, 2002 and 16 March, 2005) (as updated, amended or supplemented from time to time) on a semi-annual compounding basis (converted on an annualised yield and rounded up (if necessary) to four decimal places) or, if such formula does not reflect generally accepted market practice at the time of redemption, a yield calculated in accordance with generally accepted market practice at such time, all as advised to the Issuer and the Trustee by such financial adviser.

Any notice given pursuant to this Condition 5(c) (*Redemption at the option of the Issuer*) shall be irrevocable and shall specify the Redemption Date and the Redemption Price. If any such notice has been given, references in these Conditions and the Trust Deed to "**principal**", "**principal moneys**" and "**principal amount**" shall, unless the context otherwise requires, be deemed to include references to the Redemption Price in relation to any redemption pursuant to such notice. Upon the expiry of any such notice, the Issuer shall be bound to redeem the Bonds so called for redemption at the applicable Redemption Price on the Redemption Date together with accrued interest as aforesaid unless previously purchased and cancelled or redeemed. The Trustee may rely absolutely on the advice of any financial adviser appointed as provided in this Condition 5(c) (*Redemption at the option of the Issuer*) and shall not be liable for so doing.

(d) ***Partial redemption***: If the Bonds are to be redeemed in part only on any date in accordance with Condition 5(c) (*Redemption at the option of the Issuer*), the Bonds to be redeemed shall be selected by the drawing of lots in such place as the Issuer approves and in such manner as shall be fair and reasonable in the circumstances, subject to compliance with applicable law and the rules of each listing authority, stock exchange and/or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation, and the notice to Bondholders referred to in Condition 5(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Bonds so to be redeemed and the aggregate principal amount of the Bonds which will be outstanding after the partial redemption.

(e) ***Purchase***: The Issuer or any party acting on its behalf may at any time purchase Bonds in the open market or otherwise and at any price, **provided that** all unmatured Coupons and unexchanged Talons are purchased therewith.

Bonds purchased by or on behalf of the Issuer may, at the option of the Issuer or the relevant party, be cancelled (together with all unmatured Coupons purchased therewith) or may be held, re-issued or re-sold. Bonds held by or on behalf of the Issuer shall not entitle the holder to vote at any meetings of the Bondholders or otherwise to exercise any voting rights and such Bonds shall be deemed not to be outstanding for the purposes of calculating quorums at meetings of Bondholders or for voting on any Extraordinary Resolution or for the purposes of Condition 8 (*Events of Default*), Condition 12 (*Meetings of Bondholders; Modification and Waiver; Substitution*) and Condition 13 (*Enforcement*).

6. **Payments**

(a) ***Principal***: Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bonds at the Specified Office of any Paying Agent outside the United States by transfer to a sterling account maintained by the payee with a bank in London.

(b) ***Interest***: Payments of interest shall, subject to paragraph (f) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) ***Payments subject to fiscal laws***: All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.

(d) ***Deduction for unmatured Coupons***: If a Bond is presented without all unmatured Coupons relating thereto, then:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

(e) ***Payments on business days***: If the due date for payment of any amount in respect of any Bond or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place (including the place of presentation), a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and, in the case of payment by transfer to a sterling account as referred to above, on which dealings in foreign currencies may be carried on both in London and in such place of presentation.

(f) ***Payments other than in respect of matured Coupons***: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bonds at the Specified Office of any Paying Agent outside the United States.

(g) ***Partial payments***: If a Paying Agent makes a partial payment in respect of any Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and the date of such payment.

(h) ***Exchange of Talons***: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Bonds (each, a "**Coupon Sheet**"), the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 9 (*Prescription*)). Upon the due date for redemption of any Bond, any unexchanged Talon relating to such Bond shall become void and no Coupon will be delivered in respect of such Talon.

7. **Taxation**

All payments of principal and interest in respect of the Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of its having some connection with the United Kingdom other than the mere holding of the Bond or Coupon; or

(b) more than 30 days after the Relevant Date except to the extent that the holder of such Bond or Coupon would have been entitled to such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in London by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders in accordance with Condition 15 (*Notices*).

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 7 (*Taxation*) pursuant to the Trust Deed.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the United Kingdom, references in these Conditions to the United Kingdom shall be construed as references to the United Kingdom and/or such other jurisdiction.

8. **Events of Default**

If any of the following events occurs and is continuing (each, an "**Event of Default**"), then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject in each case to it being indemnified and/or secured and/or prefunded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

(a) ***Non-payment***: the Issuer fails to pay any amount of principal in respect of the Bonds on the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds within three days of the due date for payment thereof; or

(b) ***Breach of other obligations***: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and such default

(i) is, in the opinion of the Trustee, incapable of remedy or remediation or (ii) being a default which is, in the opinion of the Trustee, capable of remedy or remediation, remains, in the opinion of the Trustee, unremedied or unremediated for 30 days or such longer period as the Trustee may agree after the Trustee has given written notice thereof to the Issuer; or

(c) ***Cross-default of Issuer:***

(i) any Indebtedness (as defined below) of the Issuer is not paid when due or (as the case may be) within any originally applicable grace period; or

(ii) any such Indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or (provided no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or

(iii) the Issuer fails to pay when due any amount payable by it under any guarantee for, or indemnity in respect of, any Indebtedness,

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee or indemnity referred to in sub-paragraph (iii) above individually or in the aggregate exceeds £25,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment***: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of an amount in excess of £25,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer; or

(f) ***Insolvency, etc.***: (i) the Issuer is (or is deemed to be) insolvent or bankrupt under any applicable insolvency or other similar laws or is unable to pay its debts as they fall due; (ii) the Issuer stops or suspends payment of all or a material part of its debts being an amount not less than £25,000,000 (or its equivalent in any other currency or currencies), or makes a general assignment or composition with or for the benefit of the relevant creditors in respect of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or a material part of the debts of the Issuer being an amount not less than £25,000,000 (or its equivalent in any other currency or currencies), in each case in circumstances of the Issuer's financial distress; and/or (iii) an administrator or liquidator is appointed over the whole or substantially the whole of the undertaking, assets and revenues of the Issuer; or

(g) ***Winding up, etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer save for a solvent winding-up solely for the purposes of a reconstruction or amalgamation of the Issuer, the terms of which have been previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(h) ***Failure to take action, etc.***: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its payment obligations under and in respect of the Bonds or the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Bonds, the Coupons and the Trust Deed admissible in evidence in the courts of the United Kingdom is not taken, fulfilled or done; or

(i) ***Unlawfulness***: it is or will become unlawful for the Issuer to perform or comply with any of its payment obligations under or in respect of the Bonds or the Trust Deed,

provided that, in the case of sub-paragraphs (b) and (e) above, the Trustee shall have certified in writing that the happening of the relevant event or events is in its opinion materially prejudicial to the interests of the Bondholders.

For the purpose of these Conditions, "**Indebtedness**" means indebtedness for money borrowed or raised, other than indebtedness created by the Bonds.

9. **Prescription**

Claims for principal shall become void unless the relevant Bonds are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. For this purpose, references to Bonds and Coupons shall not include Talons.

10. **Replacement of Bonds, Coupons and Talons**

If any Bond, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent and the Paying Agent having its Specified Office in London, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Bonds, Coupons or Talons must be surrendered before replacements will be issued.

11. **Trustee and Paying Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or prefunded before taking any steps or actions or initiating any proceedings and relieved from responsibility in certain circumstances and to be paid its costs, fees and expenses in priority to the claims of the Bondholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual holders of Bonds or Coupons as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.

The Trustee may rely absolutely on the advice of any financial or other professional adviser appointed by it or the Issuer in connection with the exercise of the Trustee's powers, functions and/or discretions under the Trust Deed or the Bonds and shall not be liable to any person for so doing.

In acting under the Paying Agency Agreement and in connection with the Bonds and the Coupons, the Paying Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior approval of the Trustee, not to be unreasonably withheld) at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent and additional or successor paying agents; **provided, however, that** the Issuer shall at all times maintain (a) a principal paying agent and (b) a paying agent in London.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Bondholders in accordance with Condition 15 (*Notices*).

12. **Meetings of Bondholders; Modification and Waiver; Substitution**

(a) ***Meetings of Bondholders***: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) upon the request in writing of Bondholders holding not less than one-quarter of the aggregate principal amount of the outstanding Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing at least one-third of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; **provided, however, that** certain proposals as set out more fully in the Trust Deed (including any proposal to delay or extend any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds, to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than one-half or, at any adjourned meeting, not less than one-quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of all Bonds then outstanding will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) ***Modification and waiver***: The Trustee may, without the consent of the Bondholders or Couponholders agree to any modification of these Conditions or the Trust Deed or the Paying Agency Agreement (other than in respect of a Reserved Matter) if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Bondholders and to any modification of the Bonds, the Trust Deed or the Paying Agency Agreement which is in the opinion of the Trustee of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Bondholders or Couponholders authorise or waive any proposed breach or breach of the Bonds or the Trust Deed or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 15 (*Notices*).

(c) ***Substitution***: The Trust Deed contains provisions under which the Trustee may agree, without the consent of the Bondholders or Couponholders, to the substitution of a successor in business of the Issuer or any other person, in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Bonds **provided that** certain conditions specified in the Trust Deed are fulfilled.

No Bondholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Bondholder or (as the case may be) Couponholder except to the extent provided for in Condition 7 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

13. Enforcement

The Trustee may at any time, at its discretion and without notice, institute such steps, actions or proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Bonds or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

14. **Further Issues**

The Issuer may from time to time, without the consent of the Bondholders or Couponholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Bonds. Any further bonds which are to form a single series with the Bonds shall be constituted by a deed supplemental to the Trust Deed.

15. **Notices**

Notices to the Bondholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or via a recognised information service under the Financial Services and Markets Act 2000 or equivalent. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Bondholders.

16. **Governing Law and Jurisdiction**

(a) The Bonds, the Coupons and the Trust Deed and any non-contractual obligations arising out of or in connection with the Bonds, the Coupons and the Trust Deed are governed by English law.

(b) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Bonds, the Coupons or the Trust Deed including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Bonds, the Coupons or the Trust Deed (a "**Dispute**") and each of the Issuer, the Trustee and any Bondholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(c) For the purposes of this Condition, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

SUMMARY OF PROVISIONS RELATING TO THE FURTHER BONDS IN GLOBAL FORM

The Further Bonds will initially be in the form of the Temporary Global Bond which will be deposited on the Issue Date with a common safekeeper for Euroclear and Clearstream, Luxembourg.

The Further Bonds will be issued in new global note ("**NGN**") form. On 13 June 2006 the European Central Bank (the "**ECB**") announced that Bonds in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Bonds in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The Further Bonds are intended to be held in a manner which would allow Eurosystem eligibility and will therefore be deposited with one of the International Central Securities Depositaries as common safekeeper. Accordingly, the Further Bonds are intended to be held in a manner which would allow the Further Bonds to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Bondholders should note that the European Central Bank has applied a temporary extension of Eurosystem eligibility to Sterling denominated securities, the effective commencement date for this temporary extension being 9 November 2012. However, should this extension cease at any time during the life of the Bonds, the Bonds will not be in a form which can be recognised as eligible collateral.

The Temporary Global Bond will be exchangeable in whole or in part for interests in the New Global Bond not earlier than 40 days after the Issue Date upon certification as to non U.S. beneficial ownership. No payments will be made under the Temporary Global Bond unless exchange for interests in the New Global Bond is improperly withheld or refused. In addition, interest payments in respect of the Further Bonds cannot be collected without such certification of non U.S. beneficial ownership.

The New Global Bond will be exchanged in whole, but not in part, for Bonds in definitive form ("**Definitive Bonds**") in the denomination of £100,000 each and higher integral multiples of £1,000 up to and including £199,000 against presentation and surrender of the New Global Bond to the Principal Paying Agent if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business (an "**Exchange Event**").

So long as the Bonds are represented by the Temporary Global Bond or the New Global Bond and the relevant clearing system(s) so permit, the Bonds will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000, notwithstanding that no Definitive Bonds will be issued with a denomination above £199,000.

Whenever the New Global Bond is to be exchanged for Definitive Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Bonds, duly authenticated and with Coupons and (if applicable) Talons attached, in an aggregate principal amount equal to the principal amount of the New Global Bond to the bearer of the New Global Bond against the surrender of the New Global Bond to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Bond and the New Global Bond will contain provisions which modify the Terms and Conditions of the Further Bonds as they apply to the Temporary Global Bond and the New Global Bond. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Bond and the New Global Bond will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Temporary Global Bond or (as the case may be) the New Global Bond to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Further Bonds. On each occasion on which a payment of principal or interest is made in respect of the Temporary Global Bond or (as the case may be) the New Global Bond, the Issuer shall procure that the payment is entered in the records of Euroclear and Clearstream, Luxembourg.

Payments on business days: In the case of all payments made in respect of the Temporary Global Bond and the New Global Bond, "**business day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 5(c) (*Redemption at the option of the Issuer*) in relation to some only of the Further Bonds, the New Global Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Further Bonds to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 15 (*Notices*), while all the Further Bonds are represented by the New Global Bond (or by the New Global Bond and/or the Temporary Global Bond) and the New Global Bond is (or the New Global Bond and/or the Temporary Global Bond are) deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with Condition 15 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

Meetings: The holder of the Temporary Global Bond or (as the case may be) the New Global Bond shall (unless the New Global Bond represents only one Bond) be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Bondholders and, at any such meeting, as having one vote in respect of each £1,000 in principal amount of Bonds.

Purchase and Cancellation: Cancellation of any Further Bond required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Temporary Global Bond or (as the case may be) the New Global Bond.

Trustee's Powers: In considering the interests of Bondholders, while the Temporary Global Bond or (as the case may be) the New Global Bond is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Temporary Global Bond or (as the case may be) the New Global Bond and may consider such interests, and treat such accountholders, as if such accountholders were the holder of the Temporary Global Bond or (as the case may be) the New Global Bond.

USE OF PROCEEDS

The net proceeds of the issue of the Further Bonds will be used by the Issuer for achieving its non-profit making activities, including, but not limited to, general corporate purposes.

DESCRIPTION OF THE ISSUER

Introduction

The Issuer's historic roots are in the Leeds School of Medicine, which was founded in 1831, and the Yorkshire College of Science, which was founded in 1874. King Edward VII then granted a Charter of Incorporation for The University of Leeds in 1904.

The Issuer is a founding member, and the third largest member (by student population), of the Russell Group, which is made up of 24 world-class, research intensive institutions in the UK.

Globally, the Issuer was placed 91st in the QS World Rankings 2021 (15th in the UK) and 155th in the Times Higher World University Rankings 2020 (22nd in the UK). In the Domestic league tables the Issuer is ranked 13th, 11th, 14th in Times 2020, Guardian 2020 and Complete University Guide 2021, respectively. The Issuer's research power has been ranked 10th in the UK's REF 2014 and 9th for research impact, with 32 per cent. of the Issuer's subject areas in the top ten. Nearly 83 per cent. of the Issuer's research is ranked in the highest categories of 4* (world-leading) and 3* (internationally excellent). The Issuer derived £150.8 million from research income and secured £196 million in new research awards in 2018/19.

The Issuer's students pursue courses across a wide range of subjects. In the 2018/19 academic year the Issuer delivered 924 programmes of which 586 (63 per cent.) were to undergraduates and 338 (37 per cent.) were to postgraduate students. The Issuer organises its academic activities into seven Faculties, which include 32 Schools. The terms "**Faculty**" and "**School**" for this purpose indicate an academic, financial and administrative grouping of related staff and facilities for education and research purposes. The Faculties are: Arts Humanities & Cultures; Biological Sciences; Business; Engineering and Physical Sciences; Environment; Medicine and Health; and Social Sciences.

The Issuer's objects and strategic vision

The Issuer's objects ("**Objects**") are set out in its Royal Charter ("**Charter**"). The Objects are to cultivate and promote arts, science and learning.

Following an extensive consultation process with staff, students and other key stakeholders the Issuer has developed its draft strategy for 2020-2030, and over the coming months will work with the new Vice-Chancellor to develop and finalise it along with the strategic plan to deliver it.

The strategy for 2020-2030, Making a Global Impact, aims to do two things: to build on the strong foundations of the current strategic plan, Investing in Knowledge and Opportunity; and to develop the University further, so that its staff and students continue to thrive in a challenging and rapidly changing environment.

In the period 2015-2020 the Issuer has made great progress in each of its core activities. It achieved a gold rating in the first Teaching Excellence Framework in 2017, national measures of student satisfaction consistently place it at the forefront of peers in the Russell Group, and its staff have been awarded 25 National Teaching Fellowships. It launched the Leeds Institute for Teaching Excellence in 2016 to deliver continuous improvement in education, and this remains a focal point for its research-led approach to education. Planned investments and developments in the Business School will set the template for new approaches to pedagogy and will maintain the University's reputation for innovative, high-quality student education.

The Issuer has also grown its research income year-on-year in real terms rising from £128 million in 2015/16 to £151 million in 2018/19, with particular successes in interdisciplinary, challenge-led research funding aimed at tackling global issues such as climate change and health and supporting the UK industrial strategy. The Issuer achieved the 3rd highest in value and 2nd highest in number of awards in the UK Government's Global Challenges Research Fund 2014-19. Its enhanced research performance has been recognised through membership of prestigious national research institutes such as Henry Royce, Rosalind Franklin and Alan Turing. Substantial investments are being made in Advanced Materials Science, Smart Agriculture, Discovery Medicine, Climate Change research, Data Sciences and High Speed Rail, positioning it well for the next ten years. The Issuer has also made a major investment in Nexus, a state of the art innovation and enterprise centre which opened in March 2019 (£38 million), which has taken its approach to collaborating with business to a new level. Nexus is shaping how the Issuer works with business and entrepreneurs, connecting them to its world-class research and expertise and playing an important role in supporting the UK industrial strategy.

Finally, the Issuer is becoming a much more international University, both in the staff and student body, and in its research activities. It is ranked in the top 100 universities in the world, has a successful joint engineering school delivering an undergraduate programme with South West Jiaotong University in China with over 1,000 students and it is increasingly international in its research collaborations and relationships which greatly improves research citations and impact.

The Issuer's draft strategy for 2020–2030 describes its vision to be a world leading University that has strong local roots and is truly international in character and outlook. It will achieve this through education and research that is pedagogically and scientifically progressive, being culturally and socially inclusive, globally connected, and sustainable.

In addition to the strong foundations described above, the strategy to achieve its visions has two components: core academic activities and key enabling requirements.

Core academic strategy
The Issuer will focus on the core activities of student education, research and innovation and internationalism to ensure it remains securely in the top 10 UK research intensive universities and the top 100 global universities through:

- **World-class education -** Advancing its reputation for leadership in pedagogy to deliver an integrated, student-centred, research-led and inter-disciplinary education, with students engaged as partners, supported by leading edge digital technology.

- **World-class research and innovation** - Galvanising the breadth of disciplinary expertise at the Issuer to address global challenges, further improving its reputation for world-class, challenge-led inter-disciplinary research, and placing it at the forefront of collaborative working across disciplines, institutions, sectors and continents.

- **Being an international institution** - Promoting its international outlook and character through the activities of staff, students and alumni; student opportunities; our research collaborations; and its connection to global alumni.

Enabling strategy

The Issuer will align resources in the best way possible to deliver its core academic activities and implement new ways of working to support this; improve the responsiveness and effectiveness of professional services; deliver on its responsibilities to its community; and make positive contributions to a sustainable society. The Issuer will underpin its activity with a broad, integrated programme of digitisation.

History and constitution of the Issuer

The Issuer is a chartered corporation which came into existence in 1904 when King Edward VII granted a Charter of Incorporation for a University in the name of The University of Leeds.

The Issuer's principal constitutional document is its Charter, which sets out the powers and Objects of the Issuer and provides for the Council of the University ("**Council**") to be the Governing Body of the Issuer. The Council is the principal governance and policy-making body of the Issuer. Further information on the Council and the governance structure of the Issuer is set out in the section titled "*Governance and Regulation of the Issuer*" on page 47 of these Listing Particulars.

The Charter gives power to the Council to make statutes (subject to Privy Council approval), ordinances and regulations to carry into effect the Charter, to promote the Objects and to regulate and govern the affairs, business, work and interests of the Issuer. The Council has enacted, amended and repealed various statutes ("**Statutes**"), ordinances ("**Ordinances**") and regulations ("**Regulations**") over time for these purposes, and to ensure that the Issuer is operating in line with modern standards of good governance. The Issuer is therefore governed by its Charter, the Statutes, Ordinances and Regulations, together with applicable national legislation.

The Charter may be amended and the Statutes may be enacted, amended and repealed from time to time but any such action requires the approval of Her Majesty in Council (being the Queen acting through the Privy Council). Ordinances and Regulations may be enacted, amended or repealed from time to time by the Council (with approval from the Senate as the principal academic authority of the Issuer on academic matters) without needing to seek this approval.

The Issuer is an exempt charity under Section 4(1) of Schedule 3 of the Charities Act 2011 and is therefore not required to register with the Charity Commission. The members of Council are the charity trustees, who are responsible for ensuring compliance with United Kingdom charity law. The Issuer is subject to regulation by the OfS and the UKRI (formerly HEFCE) under the Charities Act 2011. From April 2018 HEFCE was disbanded. The portion which oversaw and supported student provision was replaced by the OfS whilst the part which oversaw and supported research activities was, as a result of the enactment of HERA, merged with the Research Councils and Innovate UK into a single organisation, the UKRI. The OfS and UKRI were established by HERA in 2018 and are both non-departmental public bodies. Each must have regard to guidance given to them by the Secretary of State for Education. Further information on the charity status of the Issuer is set out in the section titled "*Governance and Regulation of the Issuer*" on page 47 of these Listing Particulars.

Student Numbers

The Issuer has undergraduate and postgraduate students from the UK, EU and overseas (outside the EU). Details of student numbers for each of the last five academic years are set out below (expressed as headcount as at 1 December in each academic year):

	Undergraduate				Postgraduate				Total
	UK	EU	International	Total UG	UK	EU	International	Total PG	
2019/20	21,258	1,748	4,979	27,985	4,121	633	6,434	11,188	39,173
2018/19	22,140	1,593	4,081	27,814	4,153	799	5,340	10,292	38,106
2017/18	21,587	1,449	3,445	26,481	4,160	833	4,297	9,290	35,771
2016/17	21,044	1,206	2,895	25,145	4,211	859	4,002	9,072	34,217
2015/16	20,244	1,060	2,620	23,924	3,963	765	3,486	8,214	32,138

Competition for student places at the Issuer is strong. For undergraduate entry in 2019, 62,277 applications for courses were received which equates to 7.7 applications for every student enrolled.

Set out below are the numbers of home/EU and International undergraduate applications and undergraduate admissions for the last five academic years:

Academic year	Undergraduate	
	Applications	Admissions
2019/20	62,277	8,110
2018/19	61,511	8,658
2017/18	59,652	8,605
2016/17	52,463	8,047
2015/16	52,631	7,694

Staff Numbers

The Issuer had an average of 7,737 full time equivalent staff in the year ended 31 July 2019 engaged in its activities, including 2,268 academic/teaching staff, 1,091 research staff, 1,409 management and professional staff and 2,969 support staff. This represents an increase in staff numbers of 311 compared to 31 July 2018, resulting from planned investments in new appointments to academic and support posts in order to support the increased levels of academic activity and improve the student experience.

Principal Activity of the Issuer

The principal activity of the Issuer is the creation, dissemination and application of knowledge and encompasses the following activities:

- Student education;
- Research and innovation; and
- Other activities, including the operation of residences, catering and conferencing facilities, libraries and collections and consultancy.

Sources of Income

The Issuer's income in each of the last five academic years (as reported in the Consolidated Statement of Comprehensive Income and Expenditure account in the Issuer's audited financial statements for that year or, where restated in the financial statements for the following year, as so restated) is shown in the table, and described in more detail below:

	2014/15	2015/16	2016/17	2017/18	2018/19
			£ million		
Funding Body Grants	93.9	85.1	82.4	89.1	89.2
Tuition Fees and education contracts	267.8	290.3	323.0	349.2	400.2
Research grants and contracts	153.2	128.3	131.1	137.1	150.8
Other income	107.4	124.0	129.8	127.5	130.4
Investment income	3.1	3.7	3.3	4.0	6.1
Donations and endowments	1.0	5.3	5.3	7.6	15.2
Total Income	**626.4**	**636.7**	**674.9**	**714.6**	**791.9**

Funding Body Grants

The Issuer receives recurrent funding from the UK Government in the form of grants for teaching, for research, and for other activities. With effect from 1 April 2018, the OfS has been responsible for distributing teaching grants, and UKRI is responsible for distributing research grants. The total amount of public funding the OfS receives is set by the UK Government each year. The OfS determines how these funds are allocated amongst eligible higher education institutions on an annual basis. For the period to 31 July 2020, the conditions of teaching grant funding made to the Issuer are set out in the "Terms and conditions of funding for higher education institutions for the period to 31 July 2020" published on 29 March 2019 and the conditions of research grant funding (which are administered through Research England) are set out in the "Terms and Conditions of Research England Grant" (together the "Terms and Conditions of OfS"). These terms and conditions replicate and replace the provisions of the Memorandum of Assurance and Accountability and funding agreement with HEFCE. The OfS and Research England both reserve the right to revise and add to terms and conditions applying to specific grants for the academic year 2019/20.

- ***Research***

  The Issuer receives a grant from UKRI to support its research infrastructure and enable its research activities. UKRI calculates the grant primarily on the basis of research quality, taking into account the volume and relative cost of research in different areas ("QR funding"). Prior to 1 April 2018, HEFCE was responsible for calculating such funding to provide for research in different subjects, and then allocating the total for each subject between institutions however, with effect from 1 April 2018, this function has been undertaken by UKRI. Certain functions of UKRI will be exercised by Research England under section 97 of HERA, but UKRI remains responsible for those functions.

  The Issuer's performance in the REF relative to the rest of the sector affects its recurrent QR funding for the period after 2015. Completed in 2014, the REF is a system for assessing the quality of research in UK higher education institutions, assessing research which had taken place in the period 2008 to 2013 (inclusive). The next REF assessment is due to take place in 2021 in respect of the research carried out in the period 2014 to 2020.

The calculation of QR funding takes into account the quality of research as measured in the 2014 REF and the volume of research using research active staff numbers and relative costs, reflecting the fact that laboratory based research is more expensive than library based research. Funding is also allocated for other research related costs such as supervision of postgraduate research students and funds to support research that universities carry out with charities and with business and industry.

The Issuer has been allocated £47.0 million of QR funding, representing 2.8 per cent. of the overall UK grant award in the 2019/20 academic year. Nearly 83 per cent. of the Issuer's research activity was judged to be world leading (4*) or internationally excellent (3*) in the 2014 REF.

Applying data from the REF, the Issuer was placed tenth in the UK in terms of its research power. On research impact the Issuer was ranked ninth in the UK. On quality alone (measured by grade point average) the Issuer is ranked twenty-second overall in the UK. Research at the Issuer is undertaken across all the disciplines embraced by its seven Faculties.

- ***Teaching***

  The Issuer's teaching is supported by a combination of the OfS grant and tuition fees paid by students. The amount of the teaching block grant is calculated by the OfS according to the number of UK and EU member states' undergraduate students enrolled on the Issuer's courses and the nature of those courses. The OfS takes into account the fact that certain courses, such as laboratory subjects, cost more than classroom-based ones and in some cases cost more to provide than the maximum tuition fee of £9,250 per annum.

  The Issuer received £27.1 million and £27.8 million for teaching within its total "block grant" from the OfS for the 2018/19 and 2019/20 academic years respectively. The funding that the Issuer receives for teaching students from the United Kingdom and some EU member states is dependent upon the number of students who choose to study on a course provided by the Issuer. The major part of funding for teaching is distributed by the Student Loans Company Limited (as tuition fees paid direct to institutions for newly admitted students underwritten by loans made to those students). The Issuer's publicly-funded income is therefore dependent upon students deciding to enter higher education. In recognition that some courses are considered to be strategically important and valuable or cost more to provide than the maximum fee of £9,250, the OfS will continue to provide the Issuer with an element of teaching block grant to assist with the direct funding of those subjects. However, this position may change in the future due to UK Government policy.

  The UK Government announced in June 2020 that students from the EU will no longer be eligible for home fee and finance status in England from August 2021 (from the 2021-22 academic year), placing them in the same fee bracket as other International students.

Tuition Fees and Education Contracts

Students are charged tuition fees for courses undertaken at the Issuer. From the academic year 2019/20, newly admitted UK, Channel Islands and EU undergraduate students will be charged annual tuition fees of £9,250 per annum.

Tuition fees for non-UK/EU students are not regulated and are variable according to cost of provision and issues such as market demand and availability of loans or other funding based at, or above, minimum fees set by the Issuer for internal purposes. Fees for non-UK/EU students in 2020/21 have been set at or above £19,500 per annum for Arts/Social sciences courses, at or above £23,750 per annum for Science/Engineering courses, and at £34,500 per annum for undergraduate Clinical Medicine and £38,000 per annum for undergraduate Clinical Dentistry.

The UK Government's announcement in its Independent Panel Report to the Review of Post-18 Education and Funding published in May 2019, stated that it intends to freeze tuition fees for the upcoming academic years and has put future inflation linked fee rises in doubt. In addition, it has proposed cutting the headline tuition fees from £9,250 to £7,500 with the UK Government replacing lost income in full through additional teaching grant funding.

From the 2021-22 academic year, EU students will be in the same fee bracket as other International Students.

Research Grants and Contracts

The Issuer is regarded as one of the leading research universities in the UK with broad disciplinary coverage which creates rich interdisciplinary opportunities.

The Issuer receives income in the form of grants for specific research projects and programmes, income from UK Research Councils, charities, UK Government departments including the Department of Health and Social Care. It also generates income from collaborations with industry and from overseas sources.

A breakdown of research grants and contracts income by source is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19
			£ million		
Research Councils	49.0	52.7	53.3	58.1	70.9
Charities	19.3	19.9	21.7	22.8	24.3
Industries and commerce	8.5	8.8	8.9	8.2	8.3
Governmental	29.8	18.0	19.3	21.6	22.3
European Commission	17.8	18.4	19.9	18.9	18.0
Other	9.2	8.8	7.9	7.5	7.2
Research and Development Expenditure Credit	19.5	1.7			
Total	**153.2**	**128.3**	**131.1**	**137.1**	**150.8**

Typically the Issuer will receive research awards up to one year in advance of the research activity commencing. The awards are recognised as research income in the Issuer's financial statements only once the research activity has commenced and usually over the duration of a number of years. Some awards are partially or wholly capital in nature (for example to fund specialist research facilities).

The Issuer has experienced an increase in the value of awards secured in the last five years from £141 million in 2014/15 to £196 million in 2018/19 being achieved across a range of research activities.

Other Income

- ***Donations***

  The Issuer receives benefactions and donations from a variety of different sources. These sources include trusts and foundations, corporations and individuals (both alumni of the Issuer and non-alumni). In 2018/19, the Issuer accounted for donations of £15.0 million including £8 million from the Laidlaw Foundation towards a new building on the Western Campus.

- ***Residences, catering and conferences***

  Income generated from these activities is set out below:

2014/15	2015/16	2016/17	2017/18	2018/19
		£ million		
52.8	54.0	57.7	58.7	62.8

Endowment and Investment Income

The Issuer held £4.6 million of fixed asset investments as at 31st July 2019, which reflects the market value of listed and cost of non-listed investments in its spin-out companies.

The Issuer held £82.3 million of endowment assets as at 31st July 2019. The Issuer's endowment assets include fixed interest stocks of £19.8 million, equities in the amount of £50.2 million, property in the amount of £2.6 million, alternatives in the amount of £1.8 million and cash balances of £7.9 million.

The endowment assets are managed by Sarasin & Partners and performance is monitored by the finance team on a monthly basis with quarterly reports provided to the Issuer's governing body. The Issuer and the investment manager agree a target investment allocation between asset categories and monitor performance against income and capital growth benchmarks.

Pension Schemes

The principal pension schemes in which the Issuer participates are:

- the Universities Superannuation Scheme ("**USS**"), which is the Issuer's principal scheme for academic and academic-related staff;
- the University of Leeds Pension and Assurance Scheme ("**PAS**");
- the University of Leeds Defined Contribution Scheme ("**DC plan**"); and
- the NHS Pension Scheme ("**NHSPS**").

USS

The USS is a multi-employer scheme and its membership consists of the majority of the Higher Education sector in the UK. The USS is a "last man standing" scheme so that, in the event of insolvency of any of the participating employers in the scheme, the amount of any pension shortfall (which cannot be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the USS.

The last triennial actuarial valuation of the USS was carried out as at 31 March 2018. However, the last valuation was agreed by The Pensions Regulator on 30 September 2019 and as such was not reflected in the Issuer's financial statements as at 31 July 2019. The triennial valuation of the USS reflected in the Issuer's financial statements as at 31 July 2019 was carried out as at 31 March 2017. At the valuation date of 31 March 2017, the value of the assets of the scheme was £60 billion and the value of the scheme's technical provisions was £67.5 billion, indicating a shortfall of £7.5 billion. The scheme's assets were sufficient to cover 89 per cent. of the benefits which had accrued to members after allowing for expected future increases in earnings.

As part of the valuation, the trustee determined a recovery plan to pay off the shortfall by 30 June 2034. The Issuer has a contractual commitment to this deficit recovery plan, and under FRS 102 the Issuer's share of the past service deficit was recorded as a provision within the Issuer's balance sheet.

For the year ended 31 July 2019, the total pension cost to the Issuer was £171.6 million in relation to

USS. Of this total cost £135.8 million relates to an increase to the Issuer's USS Pension Scheme Provision, in relation to deficit recovery plans. At 31 July 2019, the USS Pension Scheme Provision, in relation to deficit recovery was £200.7 million.

The valuation of the USS as at 31 March 2018 results in a decrease in the Issuer's provision of £86.7 million for the obligation to fund the deficit on the USS pension. The revised total would be £114.0 million for the provision. This adjustment will be reflected in the Issuer's financial statements for the year ended 31 July 2020.

The benefits provided by the USS that will be reflected in the Issuer's financial statements as at 31 July 2020, include the following:

- for both current final salary ("**FS**") and career revalued basis ("**CRB**") members, accrued benefits at the implementation date will be revalued in line with increases in official pensions (currently the Consumer Price Index) each April up to the point of retirement or leaving the scheme;

- all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary for each year of service after the implementation date in respect of salary up to and including a salary threshold of £59,585.72 a year for 2020/21 and the salary threshold will be automatically revalued in line with the Consumer Price Index until 31st March 2025;

- all members will have access to a new defined contribution section, made up of individual defined contribution accounts for salary in excess of the salary threshold;

- all member contributions, for both FS and CRB members, will increase from 9.6 per cent. of salary to 11 per cent. in October 2021; and

- employer contributions have increased to 21.1 per cent. of salary for all members until 30 September 2021 and will then increase to 23.7 per cent.

PAS and DC plan

The Issuer operates two pension schemes for those staff not eligible to join the USS. The PAS scheme consists of two sections: a final salary section that was closed to new entrants in April 2013 and a Career Average Revalued Earnings ("**CARE**") section. New employees are automatically enrolled into the defined contribution scheme (DC plan) and have the option to join the CARE scheme.

A full actuarial valuation of PAS was carried out as at 31 March 2017 which showed a surplus, relative to technical provisions, of £31.0 million, equivalent to a funding position of 107 per cent. The Issuer currently pays contributions at the rate of 16 per cent. per annum of earnings. The employees pay 7.5 per cent. for the final salary section and 6.5 per cent. for the CARE section.

Life Assurance benefits for the DC Plan of five times pensionable salary are self-insured in PAS. There is an employer contribution of 0.5 per cent. of pensionable salary paid to PAS to cover this benefit.

For the year ended 31 July 2019, the total pension cost for the Issuer in respect of the PAS was £13.5 million.

The Issuer's contribution to the DC plan is twice that of the employee, up to a maximum of 10 per cent. of earnings. For the year ended 31 July 2019 the total pension cost for the Issuer in respect of the DC plan was £1.3 million.

NHSPS

The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the UK Government. There are no underlying assets. It is not possible to identify each institution's share of the underlying assets and liabilities of the NHSPS and hence contributions to the NHSPS are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus for the year in the income and expenditure account is therefore equal to the contributions payable to the NHSPS for the year.

The latest published actuarial valuation of the NHSPS was at 31 March 2016. The contribution rate payable by the Issuer during the year ended 31 July 2019 was equal to 14.3 per cent. of the total pensionable salaries, in accordance with the conclusion of the Government Actuary's report on the NHSPS.

The total pension cost for the Issuer in respect of the NHSPS for the year ended 31 July 2019 was £1.1 million.

The Issuer's Estate

The Issuer's estate is diverse and extensive with the Issuer having freehold and leasehold interests in a wide variety of property, including academic buildings, student residences and other associated properties.

The estate comprises 398 buildings in a total of 449 hectares of land, within which there are 50 hectares of playing fields three miles to the North of the Campus; 4 hectares to the East of the City which is under development for large scale engineering research; and 330 hectares of farming land within a 20-mile radius; and the main campus comprising 65 hectares. Campus building styles range from Victorian, through Neo-classical to the Brutalist 1960s Chamberlin Powell and Bon Buildings, with a range of more modern buildings designed to complement the listed buildings and conservation zones that make up 46 per cent. of the portfolio. 95 per cent. of the non-residential estate is in the Issuer's freehold ownership. Fitness for purpose was recently assessed as having 97 per cent. of residential accommodation buildings in excellent or good condition, with 92 per cent. of non-residential buildings in this category.

The main campus is sited on the north edge of Leeds City Centre on a single site. Medical teaching and research is undertaken on campus, but also has embedded accommodation on the Leeds General Infirmary and St James's Hospital sites, with biological research activities at Issuer farms, and engineering research under development on newly acquired land near to campus. Student residences are increasingly located on and around the campus, with an impressive portfolio of high quality accommodation aimed at meeting student preferences for en-suite, self-catered accommodation which is on or close to the campus. The Issuer manages approximately 8,700 beds, of which 55 per cent. are currently in freehold ownership.

The total reinstatement cost assessment as at 2018/2019, of all space occupied by the Issuer (including lease space) is £1.9 billion (exact amount £1,912,150,314). The insured value of the buildings is £1.9 billion.

Investment Programme

In the four years to 2018/2019 academic year, the Issuer invested £447 million in fixed asset additions including new academic, residential and infrastructure developments, refurbishments and equipment purchases. These investments support the Issuer's Campus Development Masterplan, which provides a framework for capital development for the 5 years to 2025.

The Masterplan outlines a total of 19 development sites within the campus, with the potential of providing approximately 80,000 square metres of additional accommodation and alongside the new developments. The Issuer's ambition is to develop the campus infrastructure, gateways and public realm to create a 'sense of place'. The Issuer aims to invest £520 million by end of July 2020, which it is on track to deliver. The main investments delivered or in progress are:

- Sir William Henry Bragg Building and refurbishment of existing engineering building, which will support the integration and growth of engineering and physical sciences. The programme is due to complete during 2020/21 at a cost of £135 million;

- Infrastructure Innovation Park, providing collaborative space for our world-leading interdisciplinary researchers in infrastructure materials, high speed railways and systems integration, structural dynamics and robotics. The programme is planned to be delivered by 2023/24 at a cost of £84 million;

- £76 million investment in new buildings and refurbishments to support growth in the Business School and School of Law which will be delivered in phases through to 2024/25;

- Major refurbishment of the Medical School which completed in December 2016 and the refurbishment of Biological Sciences completing during 2020/21. These projects create flexible and modern teaching, research and office environments at total cost of £65 million; and

- Nexus which is an innovation and enterprise centre supporting business growth and productivity by fostering start-ups and business collaboration by providing access to world-leading research, technology and incubation facilities. The building opened in March 2019 at a cost of £38 million.

Heritage Assets

The Issuer holds and maintains heritage assets, including Special collections and Art collections and the market value of these collections at 31 July 2019 was £29.7 million.

Special collections, valued at £22.6 million, consist primarily of books and manuscripts.

The Issuer's total collection of Heritage Assets was insured as at 31 July 2019 at £32 million. The Issuer conserves these assets as a resource for researchers, students and members of the public.

The Issuer also has a library which is one of the major academic research libraries in the UK. It attracts students and academics globally due to the vast print, online and manuscript collections it has gathered.

Commercialisation of Intellectual Property

Over the last 25 years the Issuer has spun out more than 110 new companies operating across a broad range of fields including engineering, information technology, life sciences and the professional services. Currently, six of the Issuer's spin-out companies are listed on the AIM.

As at 31 July 2019 the Issuer held a stake in 29 active spin-outs, with an estimated turnover of over £70 million and employing over 1,200 full-time equivalent employees. It is estimated that this active spin-out portfolio has attracted over £35 million of external investment and has served to enhance the Issuer's reputation for research impact and contribution to the economy

In the five years to 2018/19 the Issuer has directly received £16 million in revenues arising from its shareholdings and license portfolio, and presently maintains 494 patents in its portfolio.

Widening Participation

The Issuer is committed to ensuring that it attracts and retains talented students who have the potential to succeed at university regardless of their educational or personal background. The Issuer has made a large investment in financial support, producing an innovative package of financial support targeted at students from lower income families.

The aims for the University of Leeds' Access and Participation Plan for 2019/20 – 2024/25 are to:

- Close the gaps in access to higher education at the University of Leeds through sustained engagement and partnership;
- Narrow the gaps in access, retention and student success through systematic support for students at every stage and in all aspects of their learning journey; and
- Ensure an evidence-based approach through a robust approach to research, evaluation and monitoring.

The key outputs during 2018/19 were:

- Over 96,000 learners were engaged in Educational Engagement activity;
- 745 talented young people were engaged with "Reach for Excellence", "Thomas Transition", and "Realising Opportunities" supporting and stretching those with the potential to benefit from a place at a research intensive university;
- "Access to Leeds", a programme which provides an alternative admissions scheme for year 13 students or mature learners who meet certain academic criteria, received 2,528 applications in 2018/19 with 891 registering on the Issuer's programmes; and
- 3,192 scholars/vulnerable students were supported through a series of bespoke targeted retention, success and progression measures.

The next iteration of the institutional strategy is being developed with the aim of ensuring students from diverse backgrounds feel they belong, can thrive, and are valued for their unique contribution.

Employability

The Issuer has a strong record of graduate employability, with 81 per cent. of its undergraduates being in either employment or further study within six months of graduation and is placed eighth in the UK in the QS Graduate Employability Rankings 2020.

The Issuer's Solvency

There have been no recent events particular to the Issuer that are relevant, to a material extent, to the evaluation of the Issuers' solvency.

The Issuer's Subsidiaries

The Issuer is part of a group as it has various subsidiary undertakings (together with the Issuer, the "**Group**") and interests in other entities in the UK. The Issuer is not dependent on any other entity within the Group.

The Issuer has five active wholly owned subsidiary undertakings. All of these subsidiaries are very small relative to the Issuer. Income of £8 million was generated by Weetwood Hall Ltd, Nexus Leeds Ltd, University of Leeds IP Ltd, Leeds Venture Limited, University of Leeds Farms Ltd (inactive as at the date of these Listing Particulars) and Bright Beginnings Childcare Centre Leeds in 2018/19.

The Issuer's Contact Details

The contact address for the Issuer is The University of Leeds, Woodhouse Lane, Leeds, LS2 9JT (Tel: 0113 243 1751).

Recent Developments and Outlook

COVID-19 (Coronavirus)

The Issuer cannot predict (i) the duration or extent of the COVID-19 pandemic; (ii) the duration or expansion of related business closings, public health orders, regulations and legislation; and (iii) what effect the COVID-19 pandemic will continue to have on global, national and local economies, including whether a recession may be triggered.

While it is too early to determine the full extent of the impact of COVID-19 on the Issuer, the Issuer has already experienced and continues to experience a significant impact on its operations and income. The areas which have been and will continue to be impacted include, but are not limited to, student enrolment restrictions, income and costs, endowments and pension schemes and recruitment, as discussed further below.

However, at the date of these Listing Particulars, Covid-19 is not expected to have a material adverse effect on the Issuer's ability to meet its debt service obligations.

International and Domestic student enrolment

The Issuer relies on international student income for approximately 25 per cent. of its forecast 2021 income. It expects that enrolments for international students will be significantly lower than pre-outbreak forecasts for 2020/21 due to uncertainty around modes of education delivery (e.g. online or a hybrid of online and face to face), campus closures, health and safety concerns and potential travel restrictions.

On 4 May 2020, the UK Government announced measures to avoid intense competition between universities for an expected reduced domestic intake number, including reinstating temporary student number controls for the 2020 recruitment cycle, limiting growth of domestic undergraduate recruitment by institutions to 5 per cent. more than pre-outbreak plans. This reinstatement of number controls is considered neutral for the Issuer given its strong market position and proven ability to attract students.

Impact on other income and costs

The Issuer anticipates some shortfall in student residences rental income, conferencing and commercial income as a result of lower student numbers, the general economic situation and social distancing measures.

The Issuer also expects to have some unfunded and potentially unproductive research costs as some grant extensions are unlikely to be funded. Additional costs are also forecasted to support remote working, enhance the delivery of online education and assessments, and to prepare the University campus and facilities for a safe re-entry.

UK Government support packages

On 27 June 2020, the UK Government announced it would be launching two new support packages designed to protect the science and research workforce that will be essential for the UK's future prosperity, and to ensure that critical research projects can continue:

- from autumn 2020, a scheme will be available that will allow UK universities to access a combination of government grants and 'long-term, low interest loans' covering up to 80 per cent. of the loss of international fee income against a 2018/19 baseline. The exact terms of the loan package have not been determined yet.

- approximately £280 million government funding from the UKRI and the National Academies, will be made available to universities impacted by the COVID-19 pandemic. This is intended to fund extensions to grants, including supporting researchers' salaries and other research costs such as laboratory equipment and fieldwork.

The UK Government is expected to develop the details of the policy in consultation with the sector in the near future.

Financial market impact on endowments and pension schemes

Economic uncertainty associated with the COVID-19 pandemic has had wide-ranging and severe impacts upon financial markets, including stock, bond, and commodity markets. The Issuer has endowment funds and pension schemes that are exposed to significant movements in financial markets. The Issuer's current assessment of the impact on these funds and pension schemes is as follows:

- The value of total endowment assets of the Issuer, which were valued at £82.3 million as at 31 July 2019, is broadly unchanged. There can be no assurance that this will remain the case.

- The Universities Superannuation Scheme (USS) is in the main for Academic, Academic-Related and Professional Staff of all pre-1992 UK Universities and some other employers. The last valuation in 2018 showed a deficit of £3.6 billion, which fell from £7.5 billion deficit in the 2017 valuation. The Issuer's future contributions to the deficit recovery plan are provided for in the financial statements, and the gain relating to the 2018 valuation will be reflected in the 31 July 2020 financial statements. The next valuation as at 31 March 2020 is scheduled to complete by June 2021 and it is possible that the Issuer's contributions will be required to increase. The scale of any changes to the Issuer's contributions will be affected by USS's methodology and funding assumptions used in the valuation, including the outlook for future investment returns and the contribution increases. Changes to valuation methodology, scheme design and benefits by USS and participating employers could mitigate any impact on its future contributions.

- The University of Leeds Pension and Assurance Scheme (PAS) is a defined benefit scheme for support and technical staff within the University. Triennial valuations are carried out by professionally qualified independent actuaries, with the last valuation having taken place at 31 March 2017, where the scheme had assets of £451.0 million against liabilities of £420.0 million giving a surplus of £31 million. The fair value of the scheme's assets as at 31 July 2019 was £525.4 million.

- The financial statements to 31 July 2020 will include the fair value of scheme assets and liabilities reflecting market conditions at that date. A funding valuation as at 31 March 2020 is scheduled to complete by June 2021 and this may require greater contributions by the Issuer to the PAS. Changes to scheme benefits by the Issuer could mitigate any impact on its future contributions.

The University's Response to recruitment, teaching and cost management

This year's undergraduate recruitment cycle has included greater flexibility around deadlines for offers and acceptances. At the end of the formal Universities and Colleges Admissions Service deadline of 18 June 2020, our firm accepted offers were ahead of last year, as are the indicators of student intake quality. This suggests we should deliver our plan, whilst deferral rates remain low and in line with last year.

Universities have greater control over the postgraduate recruitment cycle and are able to amend deadlines to give prospective students more time to make decisions.

The Issuer has adapted quickly to different teaching and assessment methods, with the vast majority of teaching having moved online for the remainder of the 2019/20 academic year. The Issuer published its arrangements for student admissions and education in 2020/21 in June, with the intention to deliver a hybrid of online and on-campus teaching, with a bias towards face-to-face teaching wherever possible.

To maximise the potential uptake of international postgraduate students, the Issuer is starting a large proportion of programmes in January 2021 and has made a dual offer (with the start in September and January) for many courses. This proposition has been established following extensive market research with international students, with most postgraduate taught applicants preferring a January 2021 start to maximise the potential of face-to-face teaching during a one year programme.

The Issuer has also committed to embed social distancing protocols within student residences, as well as on campus. An extensive plan has been established to ensure campus health and safety, to continue to provide a positive student experience and maintain the communal and social character of the university. This will mitigate some of the potential lost income in residences, catering and conferences.

Although a significant proportion of the cost base is fixed for UK universities, the Issuer has committed to recruitment freezes and other cost efficiencies. Capital projects have also been delayed where contractual commitments have not been made.

Appointment of new Vice-Chancellor

As announced in September 2019, Sir Alan Langlands is stepping down as Vice-Chancellor on 31 August 2020, and Professor Simone Buitendijk will become Vice-Chancellor on 1 September 2020. Professor Buitendijk is currently Vice-Provost (Education) and Professor of Maternal and Child Health at Imperial College London. Before moving to Imperial College London in 2016, she held a senior leadership role as Vice-Rector at Leiden University in the Netherlands. In addition to strengthening the links between education and research in her previous roles, Professor Buitendijk has led large change programmes, worked to further equality, diversity and inclusion, and has extensive experience of driving the digital and online learning agenda.

Revolving credit facility

The Issuer is considering putting in place a Revolving Credit Facility of up to £100 million to provide flexible liquidity headroom and a risk buffer.

GOVERNANCE AND REGULATION OF THE ISSUER

Introduction

An explanation of certain key governance aspects of the Issuer, together with a summary of each of the constituent bodies and offices referred to in the summary, is set out below.

- The Issuer is a university established by a Royal Charter and as such is a body corporate with all the powers of a natural person to do all lawful acts subject only to compliance with internal regulations.
- The Issuer has charitable status as an exempt charity.
- Under the Charter, the governing body of the Issuer is the Council. Members of the Council are the University's trustees.
- The Council exercises all the powers and authority of the Issuer, subject to the laws of the Issuer and save to the extent that such exercise is reserved to the Senate (in respect of academic issues) in accordance with the Charter, Statutes, Ordinances or Regulations of the Issuer.
- The Vice-Chancellor is the chief executive and principal academic officer of the Issuer and is responsible to the Council for the effective and efficient management of the Issuer, for the conduct of its business generally and for the achievement of its institutional objectives.
- The Senate is the principal academic authority of the Issuer and, subject to control by the Council as prescribed by the Statutes, oversees the teaching and research of the Issuer.
- As part of its arrangements for effective governance, management and financial control, the Council has appointed and constituted a number of governance committees. The key committees of the Council are:
    - a Strategy and Investment Committee;
    - an Audit and Risk Committee;
    - a Remuneration Committee; and
    - a Nominating and Governance Committee.

In addition to the above there is the University Executive Group (the "**UEG**") which acts an operational and strategic management group.

The Council

The Council is the Issuer's governing body. It meets formally at least six times in each academic year and in addition holds two away days. Its membership numbers 23, with a majority of members being lay (lay members being persons who are neither employed by nor students of the Issuer). The Council consists of the following members:

- The Chair of Council (normally styled the Pro-Chancellor), who is appointed by the Council.
- The Vice-Chancellor, also appointed by the Council.
- A representative of the Worshipful Company of Clothworkers' of the City of London, appointed by that organisation.
- Six members of staff - four elected from the faculties and two elected by support staff.
- Two student members, nominated by the Leeds University Union (the students' union).

- Twelve lay members (additional to the Pro-Chancellor and the representative of the Clothworkers' Company) appointed by the Council on the recommendation of the Nominating and Governance Committee.

The quorum for meetings of the Council is eight members.

The Council carries the ultimate responsibility for the Issuer's overall strategic direction and for the management of its revenue, property and the conduct of its affairs generally, including the employment arrangements for staff. It is responsible for the Issuer's system of internal control and for reviewing its effectiveness. It is a specific role of the Council to govern, manage and regulate the finances, accounts, investments, property, business and all the affairs of the Issuer so as to ensure solvency and sustainability.

The Council has the power to make proposals to add to, amend or alter the Charter and to make or amend the Statutes, subject to the provisions of the Charter, with the consent of the Privy Council. The Council (with approval from the Senate on academic matters) has the power to enact, amend and repeal Ordinances and Regulations for the Issuer.

The Senate

Subject to the oversight of the Council, the Senate is the principal academic authority of the Issuer and is responsible to the Council for the promotion of research, regulating learning and teaching and for maintaining the quality and standards of the Issuer's academic provision. It is the primary decision making body of the Issuer on purely academic matters. The Senate has over 160 members of the academic staff (of whom slightly over half are elected) and 19 student members; and is chaired by the Vice-Chancellor.

Committees of the Senate include the Taught Student Education Board, the Graduate Board, the Research and Innovation Board and the International Strategy Board.

The Court

The University Court has about 90 members (the majority lay) and meets at least twice a year. It stands beyond the University's main decision-making machinery, and serves as a symbol of – and a mechanism for – the Issuer's accountability to the wider community and to different constituencies of stakeholder. It is empowered to ask questions about, and express an opinion on, any matter concerning the Issuer; and to convey such opinions to the Council.

The Court is chaired either by the Chancellor or, in her absence, the Pro-Chancellor.

The Strategy and Investment Committee

The Strategy and Investment Committee monitors the development and particularly the implementation of the Issuer's strategy and advises the Council both on strategy implementation and on major investment decisions.

The Audit and Risk Committee

The Audit and Risk Committee has a significant role in monitoring, reviewing and enhancing the effectiveness of the Issuer's systems of internal control, including financial procedures and risk management. It meets with external auditors to discuss their audit findings, and with the internal auditors to consider detailed internal audit reports and recommendations for the improvement of the Issuer's systems of internal control. It also receives and considers reports from the OfS and the National Audit Office as they affect the Issuer's business and monitors adherence with the regulator requirements. The Audit and Risk Committee reviews the Issuer's annual financial statements together with the accounting policies. It advises the Council on the appointment of the internal and external auditors. The Committee is chaired by a lay member of the Council. The Audit Committee meets no less than five times a year and at every meeting takes the opportunity to meet the internal and external auditors without any of the Issuer's officers being present.

The Remuneration Committee

The Remuneration Committee determines the salaries of the Vice-Chancellor and other members of the University Executive Group.

The Nominating and Governance Committee

The Nominating and Governance Committee brings forward to the Council nominations to fill vacancies for lay members of the Council and its Committees; and considers annually the potential for improvements in governance. (There is also a more fundamental review of governance every four or five years.)

The Chancellor

The Chancellor is the ceremonial head of the Issuer, presiding over congregations of the Issuer for the conferment of degrees. The Chancellor has no executive authority and is not a member of the Council. The current Chancellor is Professor Dame Jane Francis.

The Pro-Chancellor

Whilst remaining outside the day-to-day executive management, the Pro-Chancellor plays a key role in the governance of the institution as the lay chair of the Council. The Pro-Chancellor is Mr David Gray.

The Vice-Chancellor

The Vice-Chancellor is the chief executive and senior academic officer of the Issuer. In fulfilling these functions, the Vice-Chancellor has overall responsibility for the executive management of the Issuer and for its day-to-day direction, being accountable to the Council for the exercise of these responsibilities. The Vice-Chancellor is the designated Accountable Officer under the terms and Conditions of OfS between the OfS and the Issuer. As the chief executive officer of the Issuer, the Vice-Chancellor exercises considerable influence on the development of institutional policy and strategy, the identification and planning of new developments and in shaping its institutional ethos. The current Vice-Chancellor is Sir Alan Langlands, who will be replaced by Professor Simone Buitendijk when he steps down on 1 September 2020.

Secretary to the University

The Secretary to the University is appointed by the Council and, in addition to his executive responsibilities, is responsible to Council for the provision of operational and legal advice in compliance with governing instruments. The Secretary is responsible for ensuring that the information provided to Council is timely, appropriate and enables an informed discussion so that it may effectively discharge its responsibilities. The current Secretary is Mr Roger Gair.

Key Officers of the Issuer

The Vice-Chancellor is supported in his role by three Deputy Vice-Chancellors, seven faculty deans, the Chief Financial Officer, the Chief Operating Officer, the Chief Information and Digital Officer, the Marketing Director, the Director of Human Resources, the Director of Campus Development and the Secretary. These individuals comprise the University Executive Group. The current incumbents of these roles are:

- Sir Alan Langlands, Vice-Chancellor;
- Professor Lisa Roberts, Deputy Vice-Chancellor: Research and Innovation;
- Professor Tom Ward, Deputy Vice-Chancellor: Student Education;
- Professor Hai-Sui Yu, Deputy Vice-Chancellor: International;
- Dr Tim Peakman, Chief Operating Officer;
- Roger Gair, University Secretary;
- Jane Madeley, Chief Financial Officer;
- Ian Roberts, Chief Information and Digital Officer;
- Martin Holmes, Marketing Director;

- Dennis Hopper, Director of Campus Development;
- Francesca Fowler, Director of Human Resources;
- Professor Andrew Thorpe, Executive Dean of the Faculty of Arts, Humanities and Cultures;
- Professor Karen Birch, Executive Dean of the Faculty of Biological Sciences;
- Professor Julia Bennell, Executive Dean of the Faculty of Business;
- Professor Alastair Mullis, Interim Executive Dean of the Faculty of Social Sciences;
- Professor Andy Dougill, Executive Dean of the Faculty of Environment;
- Professor Nora de Leeuw, Executive Dean of the Faculty of Engineering and Physical Sciences; and
- Professor Paul Stewart, Executive Dean of the Faculty of Medicine and Health.

Membership of the Council

The following individuals are the members of the Council for the 2019/20 academic year:

Name	Date of Appointment	Principal Activities outside the Issuer
Chair of the Council and Pro-Chancellor		
David Gray	2013	Non-executive director of DWF LLP
Vice-Chancellor		
Sir Alan Langlands	2013	Non-Executive Director of N8
		Non-Executive Director of Russell Group
		Non-Executive Director of Yorkshire Universities
		Non-Executive Director of White Rose Consortium
		Non-Executive Director of Worldwide Universities Network
		Governor of Royal Northern College of Music
		Trustee of Leeds International Piano Competition (Vice- President)
		Non-Executive Director of Universities UK
		Sir Alan also holds a number of fellowships and memberships, which are not listed here
One representative of the Clothworkers' Company of London		

Name	Date of Appointment	Principal Activities outside the Issuer
Michael Howell	2016	Member of Court for Clothworkers Company Independent Director of Westinghouse Air Brake Technologies Corp Independent Non Executive Director of Gama Aviation Plc
Members of staff (6)		
Members of faculties		
Vicky Blake	2018	
Professor Pam Jones	2017	
Professor Robert Kelsall	2019	
Dr Mark Taylor-Batty	2015	
Members of support staff		
Rachael Brown	2017	Member Nominated Director of Pension and Assurance Scheme – PAS Trustee Ltd
Martin Pelan	2018	
Students (2)		
Lauren Huxley (Union Affairs Officer, Leeds University Union)	2019	Member of the student executive and Trustee, Leeds University Union
Abiha Khan (Education Officer, Leeds University Union)	2019	Member of the student executive and Trustee, Leeds University Union
Lay Members (12)		
Ed Anderson	2007	Chairman and non-Executive Director of Airport Operations Association Non-Executive Director, Trustee and Board member of Opera North Non-Executive Director of The Tablet Publishing Company Ltd Friends of Opera North (Trustee) Lord Lieutenant of West Yorkshire Chairman of National Savings & Investments Director of Ryedale Festival Trust Ltd Pro-Chancellor of Leeds Trinity University (ceremonial)

Name	Date of Appointment	Principal Activities outside the Issuer
Elizabeth Barber	2013	Executive Director of Kelda Group Limited
		Executive Director of Kcom plc
		Executive Director of Kelda Finance (No.1) Ltd
		Executive Director of Kelda Finance (No.2) Ltd
		Executive Director of Kelda Finance (No.3) Plc
		Executive Director of Keyland Developments Ltd
		Executive Director of Saltaire Water Ltd
		Executive Director of Kelda Eurobond Co Ltd
		Executive Director of Kelda Holdings Ltd
		Executive Director of Kelda Non-Reg Holdco Ltd
		Executive Director of Kelda Water Services Ltd
		Executive Director of Yorkshire Water Services Ltd
		Executive Director of Yorkshire Water Services Holdings Ltd
		Executive Director of Yorkshire Water Services Finance Ltd
		Executive Director of Loop Customer Management Ltd
		Executive Director of Glandrw Cyfyngedig
		Executive Director of Safe-Move Ltd
		Executive Director of Three Sixty Water Ltd
Tom Clark	2019	Group Chief Architect and Chief Technology Officer, Lowell Group
Seb Elsworth	2016	Chief Executive of Access Foundation for Social Investment
Helen Grantham	2019	Group Secretary and General Counsel of Co-operative Group

Name	Date of Appointment	Principal Activities outside the Issuer
Iain Moffatt	2019	Non-Executive Chairman of KPMG Crimsonwing Ltd
		Non-Executive Director of I'Anson Bros (Holdings) Ltd
Roger Marsh	2013	Leeds City Region LEP
		Chair and Trustee of Piece Hall Trust
Leyla Okhai	2018	Chief Executive Officer of Diverse Minds UK Ltd
Dr Yvette Oade	2015	Former Chief Medical Officer and Executive Director, Leeds Teaching Hospitals NHS Trust
Geoffrey Potter	2011	Instinctif Partners
		Executive Director of Avebury PR
		Trustee of Ryedale Festival Trust
Janet Sheriff	2018	Chief Executive Officer of Collaborative Learning Trust
Tim Smith	2019	Non-Executive Director of Cranswick Plc
		Non-Executive Director of Pret a Manger
		Trustee of Farm Africa
		Director of TJS Consulting Ltd

The business address for each of the members of the Council is University of Leeds, Leeds, LS2 9JT.

The Issuer maintains an up-to-date register of any potential conflicts of interest between the duties to the Issuer of the persons listed above and their private interests and/or duties. The Issuer has a Code of Practice on Corporate Governance, under which members are required to declare any personal interest in the business to be discussed by the Council (or any committee) and the relevant member must, if necessary and as required, withdraw from the consideration of such business. On this basis, the Issuer is not aware of any potential conflicts of interest between the duties to the Issuer of the members of the Council listed above and their private interests and/ or other duties.

Regulation

The Issuer's regulator is the OfS under the HERA. Research funding and policy is overseen by UKRI. The OfS and UKRI may co-operate in order to exercise their duties.

The OfS is a public body, independent from both UK Government and higher education providers with functions, powers and duties set out in HERA. Its four primary regulatory objectives are that all students from all backgrounds, and with the ability and desire to undertake higher education:

- are supported to access, succeed in and progress from, higher education;

- receive a high quality academic experience, and their interests are protected while they study or in the event of provider, campus or course closure;
- are able to progress into employment or further study, and their qualifications hold their value over time; and
- receive value for money.

Under HERA, a higher education provider in England is required to register with the OfS if it wishes to:

- access public grant funding (such as funding to support teaching), and/or student support funding (such as enabling students at a provider to access student finance);
- apply to the Home Office for a Tier 4 licence to recruit international students, or to maintain an existing licence; and
- apply for degree awarding powers in order to award their own degrees, and/or university title.

Providers can choose to apply to register in one of two categories:

- Approved (fee cap)
- Approved

A provider may subsequently choose to apply to change its registration category. Only those higher education providers that are listed in the category "approved (fee cap)" are eligible to receive direct grant funding provided by UKRI and teaching grant funding through the OfS.

All registered providers are regulated by the OfS and must meet regulatory requirements that are proportionate to the risks to student and taxpayer interests.

The general ongoing conditions of registration are set out in the Regulatory Framework published in February 2018 and include compliance with an approved access and participation plan, delivery of a high quality academic experience for all students, participation in the TEF, compliance with consumer protection law, co-operation with a student complaints scheme, preparation of a student protection plan, financial viability and sustainability, evidence that governance documents uphold the public interest governance principles, and the provider must have in place adequate and effective management and governance arrangements.

For the purpose of assisting the OfS in performing its functions, the Issuer must provide the OfS with certain information about the way it operates and its financial position, including copies of its annual audited financial statements, financial forecasts, the Audit and Risk Committee's annual report, the external auditors' management letter and the management response, and any other information the OfS may reasonably require to monitor the Issuer's compliance with its ongoing conditions of registration. The Issuer is also under an obligation to report to the OfS any event or circumstance that may impact on its willingness or ability to comply with its conditions of registration.

In addition to the information above, the Issuer is required to submit various other returns - including student, staff and finance returns to the Higher Education Statistics Agency, an Access and Participation Agreement to DFAP and any returns required by the Quality Assurance Agency, the UKRI and the NHS.

If the Issuer fails to meet the ongoing conditions of its registration, the OfS has a number of powers of intervention including imposing enhanced monitoring and/or specific ongoing conditions of registration, monetary penalties, the suspension or deregistration of the Issuer from the Register of Higher Education Providers and the power to revoke authorisation to use the university title and the power to repeal, revoke or modify a Royal Charter to give effect to this.

The terms on which grant funding relating primarily to teaching activities and taught students is made available to the Issuer by the OfS are set out in the Terms and Conditions of OfS. Under the terms of this document an institution under certain circumstances must obtain prior written consent from the OfS before it agrees to any new financial commitment.

The Issuer is an exempt charity to which the OfS succeeded HEFCE as its principal regulator with effect from 1 April 2018. Consequently, in relation to its charitable activities, the Issuer benefits from the status of a charity but it is not necessary for it to register with the Charity Commission. As principal regulator, the OfS is responsible for ensuring that the Issuer, as an exempt charity, fulfils its obligations under charity law. The OfS' objective as principal regulator is to promote compliance by the trustees of the Issuer (the trustees being members of the Council) with their legal charitable obligations in respect of the management of the Issuer, so far as reasonably possible. In doing so it is required to monitor the Issuer regularly, and potentially to liaise with the Charity Commission if the issues involved are more complex and may result in the use of its power.

The members of the Council are charitable trustees and, as such, must exercise their duties as trustees prudently and in accordance with the Issuer's Charter, Statutes, Ordinances and Regulations. The Charity Commission has the power to take proceedings against the members of the Council if it believes that they have acted imprudently. The actions that the Council takes should always be in the public interest.

The Charities Act 2006 (now incorporated in the Charities Act 2011) extended most of the Charity Commission's powers in relation to exempt charities (including the Issuer). However, before exercising any of its powers in respect of the Issuer, the Charity Commission must first consult with the OfS. The OfS is also able to invite the Charity Commission to use its powers in relation to investigation and intervention. Legal decisions taken by the Charity Commission are subject to review by a tribunal in the General Regulatory Chamber.

TAXATION

*The following is a summary of the United Kingdom withholding tax treatment at the date hereof in relation to payments of principal and interest in respect of the Further Bonds. The comments below are of a general nature and are not intended to be exhaustive. They are based on current United Kingdom tax law as applied in England and Wales and the practice of Her Majesty's Revenue and Customs ("**HMRC**") (which may not be binding on HMRC), in each case as at the latest practicable date before the date of these Listing Particulars which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Further Bonds. The comments relate only to the position of persons who are absolute beneficial owners of the Further Bonds (in particular, Bondholders holding their Further Bonds via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof). The comments do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Bondholders.*

The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Bondholders who are in any doubt as to their tax position should consult their professional advisers. Bondholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Further Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Further Bonds. In particular, Bondholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Further Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom. Bondholders should be aware that the tax legislation of any jurisdiction where a Bondholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Further Bonds including in respect of any income received from the Further Bonds. Investors should also note that the appointment by an investor in the Further Bonds, or any person through which an investor holds the Further Bonds, of a custodian, collection agent or similar person in relation to such Further Bonds in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

UK Taxation

UK Withholding Tax on UK Source Interest

Bonds listed on a recognised stock exchange

Under section 987 of the Income Tax Act 2007 ("**ITA**") securities issued by a company which carry a right to interest, such as the Further Bonds, will constitute "*quoted Eurobonds*" provided they are and continue to be listed on a recognised stock exchange within the meaning of section 1005 of the ITA. Whilst the Further Bonds are and continue to be quoted Eurobonds, payments of interest on the Further Bonds may be made without withholding or deduction for or on account of United Kingdom income tax. The Issuer is a "**company**" for the purposes of section 987 of the ITA.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the Official List of the Financial Conduct Authority or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Further Bonds issued by the Issuer will constitute quoted Eurobonds provided they are and continue to be included in the Official List of the Financial Conduct Authority and admitted to trading on the Regulated Market of the London Stock Exchange.

All Bonds

In all cases falling outside the "**quoted Eurobond**" exemption described above (for example, if the Further Bonds cease to be listed), interest on the Further Bonds which has a United Kingdom source will generally be paid by the Issuer under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.).

The Further Bonds may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on the Further Bonds will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

Where the Further Bonds are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Further Bonds or any related documentation. Bondholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Further Bonds which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 12(c) of the Further Bonds or otherwise and does not consider the tax consequences of any such substitution.

SUBSCRIPTION AND SALE

Barclays Bank PLC (the "**Lead Manager**") has, in a subscription agreement dated 24 July 2020 (the "**Subscription Agreement**") and made between the Issuer and the Lead Manager upon the terms and subject to the conditions contained therein, jointly and severally agreed to subscribe for the Bonds at their issue price of 138.562 per cent. of their principal amount (plus 39 days' accrued interest in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Issue Date) and less total commissions and certain expenses incurred by the Lead Manager in connection with the management of the issue of the Further Bonds. The Issuer has also agreed to indemnify the Lead Manager against certain liabilities in connection with the issue of the Further Bonds. The Lead Manager is entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Further Bonds.

The Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and/or its affiliates in the ordinary course of business.

General

The Lead Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Further Bonds or possesses, distributes or publishes these Listing Particulars or any other offering material relating to the Further Bonds. Persons into whose hands these Listing Particulars comes are required by the Issuer and the Lead Manager to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Further Bonds or possess, distribute or publish these Listing Particulars or any other offering material relating to the Further Bonds, in all cases at their own expense.

United Kingdom

The Lead Manager has further represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Further Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Further Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA or UK Retail Investors

The Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Further Bonds to any retail investor in the European Economic Area or the United Kingdom.

For these purposes, the expression "retail investor" means a person who is one (or more) of the following:

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

(ii) a customer within the meaning of the Insurance Distribution Directive, 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 the PRIIPs Regulation for offering or selling the Further Bonds or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Further Bonds or otherwise making them available to any retail investor in the EEA or the UK may be unlawful under the PRIIPs Regulation.

United States of America

The Further Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, the Further Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Lead Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Further Bonds within the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after commencement of the offering, an offer or sale of Further Bonds within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Singapore

The Lead Manager has acknowledged that these Listing Particulars have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Lead Manager has represented, warranted and agreed that it has not offered or sold any Further Bonds or caused the Further Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Further Bonds or cause the Further Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, these Listing Particulars or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Further Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Further Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Further Bonds pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

GENERAL INFORMATION

Authorisation

1. The creation and issue of the Further Bonds has been authorised by a resolution of the Council dated 16 July 2020.

Listing and Admission to Trading

2. The Original Bonds are admitted to listing on the Official List and to trading on the Regulated Market of the London Stock Exchange. Application has been made to the FCA for the Further Bonds to be admitted to the Official List of the FCA, and to the London Stock Exchange for such Further Bonds to be admitted to trading on the Regulated Market of the London Stock Exchange. It is expected that such admission will become effective, and that dealings in the Further Bonds on the London Stock Exchange will commence, on or about 28 July 2020.

   The Issuer estimates that the total expenses related to the admission to trading will be approximately £5,250.

Governmental, Legal and Arbitration Proceedings

3. There are no, and have not been any, governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of the Issuer and its consolidated subsidiaries (taken as a whole).

Significant Change/Material Adverse Change

4. Save as disclosed in "Description of the Issuer – Recent Developments and Outlook", since 31 July 2019 there has been no material adverse change in the prospects of the Issuer and its consolidated subsidiaries (taken as a whole) nor any significant change in the financial position or financial performance of the Issuer and its consolidated subsidiaries (taken as a whole).

Auditors

5. The consolidated financial statements of the Issuer for the two years ended 31 July 2018 and 31 July 2019 have been audited without qualification by Deloitte LLP, 1 City Square, Leeds, LS1 2AL, United Kingdom. Deloitte LLP is registered to carry on work in the United Kingdom and Ireland by the Institute of Chartered Accountants in England and Wales.

Documents on Display

6. Copies of the following documents may be inspected during normal business hours at the offices of the Issuer for 12 months from the date of these Listing Particulars:

   (a) the Charter and Statutes of the Issuer;

   (b) the Paying Agency Agreement and the Trust Deed; and

   (c) the audited consolidated financial statements of the Issuer for the years ended 31 July 2018 and 31 July 2019.

Yield

7. On the basis of the issue price of the Further Bonds of 138.562 per cent. of their principal amount plus 39 days' accrued interest, the gross yield of the Further Bonds is a semi-annual yield of 1.533 per cent. per annum.

Legend Concerning U.S. Persons

8. The Further Bonds and any Coupons and Talons appertaining thereto will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations

under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

ISIN and Common Code

9. The Original Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS1366919535 and the Common Code is 136691953.

The Further Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. On the Issue Date the temporary ISIN of the Further Bonds will be XS2206599925. Following consolidation with the Original Bonds, which is expected to be 40 days after the Issue Date of the Further Bonds, the ISIN will be XS1366919535. On the Issue Date the temporary common code of the Further Bonds will be 220659992. Following consolidation with the Original Bonds the common code will be 136691953.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

Legal Entity Identifier

10. The Legal Entity Identifier (LEI) code of the Issuer is 213800S82DDTUZA6T344.

INDEX OF DEFINED TERMS

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London E14 5HQ

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