TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes, which as completed, in the case of Non-Exempt Notes (as defined below) in relation to any Notes by the applicable Final Terms, or supplemented, modified or replaced, in the case of Exempt Notes (as defined below), in relation to any Notes by the applicable Pricing Supplement, will be applicable to each Series of Notes issued after the date of this Base Prospectus unless otherwise specified in the applicable Issue Terms (as defined below). Either (i) the full text of these Terms and Conditions (subject to simplification by deletion of non-applicable provisions) together with the relevant provisions of the Issue Terms or (ii) these Terms and Conditions as so completed or, as applicable, supplemented, modified or replaced (subject to simplification by deletion of non-applicable provisions) shall be endorsed on the definitive Bearer Notes and Registered Notes, and in the case of Global Notes, these Terms and Conditions shall be incorporated by reference into such Notes and the applicable Issue Terms attached thereto. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Issue Terms.

The Notes (other than Swedish Notes, Finnish Notes and Swiss Notes (each as defined below)) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated June 8, 2015 (as further amended, supplemented, restated or replaced, the "**Issue and Paying Agency Agreement**") and made between Royal Bank of Canada (the "**Issuer**"), The Bank of New York Mellon, London branch, in its capacities as issuing and principal paying agent and principal certificate and warrant agent (the "**Issuing and Paying Agent**", which expression shall include any successor to The Bank of New York Mellon, London branch in its capacity as such) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the "**Registrar**", which expression shall include any successor to The Bank of New York Mellon (Luxembourg) S.A. in its capacity as such and any additional registrars appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The expression "**Paying Agents**" as used herein shall include the Issuing and Paying Agent and any additional paying agents appointed, if any, in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The issuance of Swedish Notes is governed by a Swedish Notes issuing and paying agent agreement dated October 31, 2011 (as further amended, supplemented, restated or replaced, the "**Swedish Notes Issuing and Paying Agent Agreement**") and made between the Issuer and Skandinaviska Enskilda Banken AB (publ) (the "**Swedish Notes Issuing and Paying Agent**", which expression shall include any successor to Skandinaviska Enskilda Banken AB (publ) in its capacity as such provided that such successor is duly authorised under the Swedish Financial Instruments Accounts Act 1998 (*Sw. Lagen (1998:1479) om kontoföring av finansiella instrument*) (the "**SFIA Act**")). The issuance of Finnish Notes is governed by a Finnish master issuing and paying agency agreement dated September 23, 2013 (as further amended, supplemented, restated or replaced, the "**Finnish Issuing and Paying Agent Agreement**") and made between the Issuer and Nordea Bank Finland plc (the "**Finnish Issuing and Paying Agent**", which expression shall include any successor to Nordea Bank Finland plc in its capacity as such provided that such successor is duly authorised under the Finnish Act on the Book-Entry System and Clearing Operations (Fin: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta* (*749/2012*)). Any references in the Terms and Conditions of the Notes to "Issue and Paying Agency Agreement" shall be deemed to include, where the context so admits, reference to the Swedish Notes Issuing and Paying Agent Agreement or the Finnish Issuing and Paying Agent Agreement, as applicable. A copy of the Finnish Issuing and Paying Agent Agreement (excluding the Finland Country Appendix) is available for inspection during normal business hours at the office of the Issuer. Copies of the

Swedish Notes Issuing and Paying Agent Agreement will be available for inspection during normal business hours at the initial specified offices of the Swedish Notes Issuing and Paying Agent and the Issuer, respectively. All persons from time to time entitled to the benefit of obligations under any Swedish Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Swedish Notes Issuing and Paying Agent Agreement insofar as they relate to the relevant Swedish Notes.

The holders of Notes governed by English law (including Swiss Notes) and the relevant holders of Receipts and Coupons are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**" as amended, supplemented, restated or replaced from time to time) dated June 8, 2015 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below). The holders of Swedish Notes are entitled to the benefit of the Deed of Covenant (the "**Swedish Deed of Covenant**" as amended, supplemented, restated or replaced from time to time) dated June 8, 2015 and made by the Issuer. The original of the Swedish Deed of Covenant is held by the Issuing and Paying Agent. The holders of Finnish Notes are entitled to the benefit of the Deed of Covenant (the "**Finnish Deed of Covenant**" as amended, supplemented, restated or replaced from time to time) dated June 8, 2015 and made by the Issuer. The original of the Finnish Deed of Covenant is held by the Issuing and Paying Agent. Copies of the Issue and Paying Agency Agreement, the Deed of Covenant, the Swedish Deed of Covenant and the Finnish Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents (other than the Finnish Issuing and Paying Agent), including, in respect of the Swiss Notes, the Swiss Programme and Paying Agent, and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the relevant Notes.

Notes that are Reference Item Linked Notes (as defined below) and are to be settled in SIX SIS AG (the "**Swiss Notes**") are issued pursuant to and in accordance with the Issue and Paying Agency Agreement as amended and supplemented by an amended and restated Swiss Supplemental Agency Agreement (as further amended, supplemented, restated or replaced, the "**Swiss Supplemental Agency Agreement**") dated June 8, 2015 and made between the Issuer and BNP Paribas Securities Services, Paris, Zurich Branch (the "**Swiss Programme and Paying Agent**"). Any reference in the Terms and Conditions of the Notes to "Issue and Paying Agency Agreement" shall be deemed to include, where the context so admits, reference to the Issue and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement. Copies of the Issue and Paying Agency Agreement and the Swiss Supplemental Agency Agreement are available for inspection during normal business hours and the specified office of the Swiss Programme and Paying Agent. All persons from time to time entitled to the benefit of obligations under the Swiss Notes shall be deemed to have notice of, and shall be bound by, all other provisions of the Issue and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement.

Following their delivery into Euroclear and/or Clearstream Luxembourg, if applicable, interests in Notes may be delivered, held and settled in Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) ("**CREST**") through the issuance of dematerialised depository interests ("**CREST Depository Interests**" or "**CDIs**") issued, held, settled and transferred through CREST, representing the interests in the relevant Notes underlying the CDIs (the "**Underlying Notes**"). The CDIs will be issued by the CREST Depository Limited (the "**CREST Depository**") to investors who hold through CREST through the issuance of CDIs ("**CDI Holders**") and will be issued pursuant to the Global Deed Poll dated 25 June 2001 governed

by English law (as subsequently modified, supplemented and/or restated) (the "**CREST Deed Poll**").

The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes.

References in these Terms and Conditions (the "**Conditions**") to Notes are to Notes of the relevant Series and means:

(a) in relation to any Notes represented by a global Note (a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Note issued on exchange for a Global Note;

(d) any Swedish Note; and

(e) any Finnish Note.

References to Coupons (as defined in Condition 1.06) and Receipts (as defined in Condition 1.07) are to Coupons and Receipts relating to Notes of the relevant Series.

Each Tranche of Non-Exempt Notes will be the subject of final terms (each, "**Final Terms**"), a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. If the Notes are to be admitted to trading on the regulated market of the Irish Stock Exchange the applicable Final Terms will be published on the website of the Irish Stock Exchange. If a Note is not so listed but is not an Exempt Note the applicable Final Terms will be published on the website of the Central Bank of Ireland (www.centralbank.ie) as the competent authority of the home member state for such Notes. Each Tranche of Exempt Notes will be the subject of a pricing supplement (each, a "**Pricing Supplement**"), a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent, only by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Notes. If the Exempt Notes are to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange, the applicable Pricing Supplement will be published on the website of the Irish Stock Exchange (www.ise.ie).

References in these Conditions to the "**applicable Final Terms**" are, unless otherwise stated, to Part A of the Final Terms(s) prepared in relation to the Notes of the relevant Tranche or Series and references in these Conditions to the "**applicable Pricing Supplement**" are, unless otherwise stated, to Part A of the Pricing Supplement(s) prepared in relation to the Notes of the relevant Tranche or Series. For the purposes hereof, "**applicable Issue Terms**" means either (i) where the Notes are Non-Exempt Notes, the applicable Final Terms or (ii) where the Notes are Exempt Notes, the applicable Pricing Supplement, and should be construed accordingly.

The applicable Issue Terms for the Notes complete these Conditions and, in the case of a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt Note**"), the applicable Pricing Supplement may specify other terms and conditions which shall, to the extent so

specified or to the extent that is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Notes. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area. Any references herein to a "**Non-Exempt Note**" are to a Note that is not an Exempt Note.

1. Form and Denomination

1.01 Notes are issued in either (subject as provided in Condition 1.05 below) (a) bearer form ("**Bearer Notes**") (b) registered form ("**Registered Notes**") or (c) dematerialised uncertificated book-entry form settled in either Euroclear Sweden AB ("**Swedish Notes**"**)** or Euroclear Finland Ltd ("**Finnish Notes**"), as specified in the applicable Issue Terms and, with the exception of Swedish Notes and Finnish Notes, are serially numbered. Registered Notes, Swedish Notes and Finnish Notes will not be exchangeable for Bearer Notes.

If this Note is a Non-Exempt Note, this Note may be a Note bearing interest on a fixed rate basis ("**Fixed Rate Note**"), a Note bearing interest on a floating rate basis ("**Floating Rate Note**"), a Note issued on a non-interest bearing basis ("**Zero Coupon Note**"), a Note with respect to which interest is calculated by reference to an index or a basket of indices ("**Index Linked Interest Note**"), a Note with respect to which principal is calculated by reference to an index or a basket of indices ("**Index Linked Redemption Note**"), a Note with respect to which interest is calculated by reference to currencies or a basket of currencies (a "**Currency Linked Interest Note**"), a Note with respect to which principal is calculated by reference to currencies or a basket of currencies (a "**Currency Linked Redemption Note**"), a Note with respect to which interest is calculated by reference to a single fund or a basket of funds (a "**Fund Linked Interest Note**"), a Note with respect to which principal is calculated by reference to a single fund or a basket of funds (a "**Fund Linked Redemption Note**"), a Note with respect to which interest is calculated by reference to the level of a commodity or commodity index or a basket of commodities or commodity indices ("**Commodity Linked Interest Note**"), a Note with respect to which principal is calculated by reference to the level of a commodity or commodity index or a basket of commodities or commodity indices ("**Commodity Linked Redemption Note**"), a Note with respect to which interest is calculated by reference to a single equity security or a basket of equity securities (an "**Equity Linked Interest Note**"), a Note with respect to which principal is calculated by reference to a single equity security or a basket of equity securities (an "**Equity Linked Redemption Note**"), a Note with respect to which principal is calculated by reference to specified preference shares of the Preference Share Issuer ("**Preference Share Linked Note**"), a variable rate Note whose coupon and value increases as the frequency of which a benchmark interest rate is within a specified range increases (a "**Digital Range Accrual Interest Note**"), a variable rate Note whose coupon and value increases as a benchmark interest rate declines relative to a fixed rate and the previous variable rate (a "**Floating Ratchet Interest Note**"), a variable rate Note whose coupon and value increases as a leveraged benchmark interest rate increases or as the difference between one benchmark interest rate and another leveraged benchmark interest rate increases (a "**Floating Participation Interest Note**"), a Note whose coupon may switch automatically or at the option of the Issuer from one interest basis to another during its life (a "**Switchable Interest Note**"), or a combination of any of the foregoing, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, a Currency Linked Interest Note, a Currency Linked Redemption Note, a Fund Linked Interest Note, a Fund Linked Redemption Note, a Commodity Linked Interest Note, a Commodity

Linked Redemption Note, an Equity Linked Interest Note, an Equity Linked Redemption Note, a Note redeemable in instalments, a Note to which principal is subject to the occurrence of a credit event on a specified reference entity(ies) and satisfaction of conditions to settlement is linked to the credit of a specified entity or entities (a "**Credit Linked Note**"), a Preference Share Linked Note, a Note with respect to which principal and/or interest (a "**Dual Currency Interest Note**") is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (a "**Dual Currency Note**"), a Note which is issued on a partly paid basis (a "**Partly Paid Note**"), a variable rate Note whose coupon and value increases as a benchmark interest rate declines (an "**Inverse Floating Rate Note**"), a Digital Range Accrual Interest Note, a Floating Ratchet Interest Note, a Floating Participation Interest Note, a Switchable Interest Note, or a combination of any of the foregoing, or any other kind of Note, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Pricing Supplement.

In these Conditions, any item noted above by reference to which the principal or interest of a Note is calculated shall be referred to as a "**Reference Item**". Any Reference Item linked Notes, shall be referred to as "**Reference Item Linked Notes**". Any Non-Exempt Notes which are Reference Item Linked Notes in respect of which the interest is calculated by reference to a Reference Item, shall be referred to as "**Non-Exempt Reference Item Linked Interest Notes**". Any Non-Exempt Notes which are Reference Item Linked Notes in respect of which the principal is calculated by reference to a Reference Item, shall be referred to as "**Non-Exempt Reference Item Linked Redemption Notes**". A Non-Exempt Note may be both a Non-Exempt Reference Item Linked Interest Note and a Non-Exempt Reference Item Linked Redemption Note.

Swedish Notes are being issued in uncertificated and dematerialised book-entry form in accordance with the SFIA Act. No global or definitive Swedish Notes will be issued and these Conditions shall be construed accordingly. The Swedish Notes will be transferable only in accordance with the provisions of the SFIA Act, other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Sweden AB ("**Euroclear Sweden**").

The applicable Issue Terms will specify whether the Issuer shall have access to the register of creditors (Sw. *skuldboken*) in respect of the Swedish Notes.

Finnish Notes are being issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations and the Finnish Act on Book Entry Accounts. No global or definitive Finnish Notes will be issued and these Conditions shall be construed accordingly. The Finnish Notes will be transferable only in accordance with the provisions of the Finnish Act on the Book-Entry System and Clearing Operations and the Finnish Act on Book Entry Accounts, other applicable Finnish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Finland Ltd ("**Euroclear Finland**").

The Issuer and the Finnish Issuing and Paying Agent shall be entitled to obtain extracts from the book-entry registers of Euroclear Finland in respect of the Finnish Notes.

Swiss Notes will be issued either in the form of a Permanent Global Note or a Global Registered Note (each as defined below) and will be transformed into intermediated securities ("**Intermediated Securities**") in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the "**FISA**").

The Intermediated Securities will be created (i) by the deposit of a Permanent Global Note or a Global Registered Note, as the case may be, with SIX SIS AG ("**SIX SIS**") or any other

intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS or such other intermediary, the "**relevant Swiss clearing system**"), acting as custodian as defined in article 4 of the FISA (the "**Custodian**"), and (ii) the relevant Swiss clearing system, acting as Custodian, crediting the respective rights to securities accounts of the relevant participants with the relevant Swiss clearing system in accordance with articles 4 and 6 of the FISA.

Bearer Notes

1.02 The Issue Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") or U.S. Treasury Regulation § 1.163- 5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") shall apply. Each Tranche of Bearer Notes with an original maturity of more than one year is represented upon issue by a temporary global Note (a "**Temporary Global Note**"), unless the Issue Terms specify otherwise, in particular, when the TEFRA C Rules apply.

Where the Issue Terms applicable to a Tranche of Bearer Notes so specify or where a Tranche of Bearer Notes has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Issue Terms) represented upon issue by a permanent global Note (a "**Permanent Global Note**").

Interests in the Temporary Global Note may be exchanged for:

(i) interests in a Permanent Global Note; or

(ii) if so specified in the Issue Terms, definitive Bearer Notes ("**Definitive Notes**") and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the Issue Terms) Registered Notes.

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the Exchange Date (as specified in the Issue Terms) and (unless the Issue Terms specify that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations has been received in accordance with the terms of the Temporary Global Note (each certification in such form as is required by the relevant clearing system). An exchange of interests in a Temporary Global Note or a Permanent Global Note for Registered Notes will be made at any time or from such date as may be specified in the Issue Terms, in each case, without any requirement for certification.

1.03 The bearer of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole but not in part only) for a Permanent Global Note or for delivery of Definitive Notes and/or Registered Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to collect any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

1.04 Unless the Issue Terms specify that the TEFRA C Rules are applicable to the Notes and subject to Condition 1.03 above, if any date on which a payment of interest is due on the Notes of a Tranche occurs while any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in such form as is required by the relevant clearing system), has been received by Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or any other relevant clearing system in accordance with the terms of the Temporary Global Note. Payments of amounts due in respect of a Permanent Global Note or (subject to Condition 1.03 above) a Temporary Global Note will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for further certification. Any reference herein to Euroclear or Clearstream, Luxembourg shall be deemed to include a reference to any other relevant clearing system.

1.05 In respect of Notes other than Swiss Notes, interests in a Permanent Global Note will be exchanged by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Note, for Definitive Notes and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the applicable Issue Terms) Registered Notes, (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event.

In respect of Swiss Notes represented by a Permanent Global Note, neither the Issuer nor the Holders of such Notes shall at any time have the right to effect or demand the conversion of the Permanent Global Note into, or the delivery of, uncertificated notes or Notes in definitive form. Such Notes in definitive form may only be issued and printed and (notwithstanding such Notes being Bearer Notes prior to such conversion) may only be issued and printed in definitive registered form if the Swiss Programme and Paying Agent deems the printing of definitive notes to be necessary or desirable for the enforcement of obligations under the Swiss Notes, including, without limitation, if, under Swiss or any applicable foreign law, the enforcement of obligations under the Swiss Notes can only be assured by means of definitive notes. In such circumstances the Swiss Programme and Paying Agent may request the Issuer in writing to arrange for the issue of such definitive notes and the Issuer will cause such definitive notes to be executed and delivered as soon as practicable (and in any event within forty-five days of the Swiss Programme and Paying Agent's written request) to the Swiss Programme and Paying Agent for completion, authentication and delivery, free of charge, to the relevant Swiss clearing system for the relevant Holders, against cancellation of the Notes in the Holder's securities account.

If definitive Notes in registered form are issued in respect of any Swiss Notes, the Swiss Programme and Paying Agent and the Issuer will each maintain a register of the Holders to which such definitive notes in registered form have been issued (the "**Swiss Register**"). Transfer, redemption, settlement and other mechanics (including, without limitation, any necessary technical changes required to the Terms and Conditions) related to any Notes issued in definitive registered form in exchange for Swiss Notes represented by a Permanent Global Note shall be as determined by the Issuer in consultation with the Swiss Programme and Paying Agent.

1.06 Definitive Notes that are interest bearing have attached thereto, at the time of their initial delivery, coupons ("**Coupons**"), the presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Definitive Notes that are interest bearing and which have more than 27 interest payments remaining, at the time of their initial delivery, have attached a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

1.07 Definitive Notes which are Exempt Notes, the principal amount of which is repayable by instalments ("**Instalment Notes**") in such amounts as may be specified in, or determined in accordance with, the provisions of the Pricing Supplement (each an "**Instalment Amount**"), have endorsed thereon a grid for recording the repayment of Instalment Amounts or, if so specified in the applicable Pricing Supplement, have attached thereto, at the time of their initial delivery, payment receipts ("**Receipts**") in respect of the Instalment Amounts repaid.

Registered Notes

1.08 Where the Issue Terms applicable to a Tranche of Registered Notes so specify, such Tranche is represented upon issue by a global registered note ("**Global Registered Note**").

Other than in respect of Swiss Notes (as defined above), interests in a Global Registered Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event.

In respect of Swiss Notes represented by a Global Registered Note, neither the Issuer nor the Holders of such Notes shall at any time have the right to effect or demand the conversion of the Global Registered Note into, or the delivery of, uncertificated notes or Registered Notes in definitive form. Registered Notes in definitive form may only be printed if the Swiss Programme and Paying Agent deems the printing of Registered Notes in definitive form to be necessary or desirable for the enforcement of obligations under the Swiss Notes, including, without limitation, if, under Swiss or any applicable foreign law, the enforcement of obligations under the Swiss Notes can only be assured by means of Registered Notes in definitive form. In such circumstances, the Swiss Programme and Paying Agent may request the Issuing and Paying Agent in writing to arrange for the issue of Registered Notes in definitive form and the Issuer will cause Registered Notes in definitive form to be executed and delivered as soon as practicable (and in any event within forty-five days of the Swiss Programme and Paying Agent's written request) to the Swiss Programme and Paying Agent for completion, authentication and delivery, free of charge, to SIX SIS for the relevant Holders, against cancellation of the Swiss Notes in the Holder's securities account.

If a Global Registered Note or Registered Notes in definitive form are issued in respect of any Swiss Note, the Swiss Programme and Paying Agent and the Issuer will each maintain a register of the Holders to which such Registered Notes have been issued (the "**Swiss Register**").

1.09 ***Intentionally Deleted***

Denomination

Denomination of Bearer Notes

1.10 Bearer Notes are in the denominations (the "**Specified Denomination(s)**") specified in the applicable Issue Terms. Unless otherwise specified in the applicable Issue Terms, Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

Denomination of Registered Notes

1.11 Registered Notes are in the Specified Denominations specified in the applicable Issue Terms.

Denomination of Swedish Notes

1.11a Swedish Notes are in the Specified Denominations specified in the applicable Issue Terms.

Denomination of Finnish Note

1.11b Finnish Notes are in the Specified Denominations specified in the applicable Issue Terms.

Currency of Notes

1.12 The Notes are denominated in such currency (the "**Specified Currency**") as may be specified in the applicable Issue Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

2. Title and Transfer

2.01 Title to Bearer Notes, Receipts and Coupons passes by delivery. References herein to the "**Holders**" of Bearer Notes or of Receipts or Coupons are to the bearers of such Bearer Notes or such Receipts or Coupons.

2.02 Title to Registered Notes passes by due endorsement in the relevant register. The Issuer shall procure that the Registrar keep a register or registers in which shall be entered the names and addresses of the Holders of Registered Notes and particulars of the Registered Notes held by them. Such registration shall be noted on the Registered Notes by the Registrar. References herein to the "**Holders**" of Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant register.

2.02a The person appearing in the register (sw. *avstämningsregister*) held by Euroclear Sweden on behalf of the Issuer (the "**Swedish Notes Register**") will be treated as the holder of the relevant Swedish Notes and title to the Swedish Notes passes only by registration in the Swedish Notes Register. References herein to the "**Holders**" of Swedish Notes are to the persons in whose names such Swedish Notes are so registered in the Swedish Notes Register. Where a nominee (Sw. *förvaltare*) is so evidenced it shall be treated as the Holder of the relevant Securities.

2.02b The person appearing in the book-entry register maintained by Euroclear Finland on behalf of the Issuer (the "**Finnish Securities Register**") will be treated as the holder of the relevant Finnish Notes and title to the Finnish Notes passes only by registration in the Finnish Securities Register. References to the "**Holders**" of Finnish Notes are to the persons in whose names such Finnish Notes are registered in the Finnish Securities Register, including nominee account holders (Fin: *hallintarekisteröinnin hoitaja*) as the case may be.

2.03 The Holder of any Bearer Note, Coupon, Registered Note, Swedish Note or Finnish Note will for all purposes of the Issue and Paying Agency Agreement, the Swedish Notes Issuing and Paying Agent Agreement and the Finnish Issuing and Paying Agent Agreement (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof and no person shall be liable for so treating such Holder.

2.04 In respect of Swiss Notes, title to Intermediated Securities is construed and will pass in accordance with the applicable Swiss legislation (in particular the FISA), rules and regulations applicable to and/or issued by the relevant Swiss clearing system, acting as Custodian, and any other custodian, if any, that are in force and effect from time to time (the "**Rules**"). Accordingly, reference to the "**Holders**" of Intermediated Securities herein means any person recognised as a holder of the Intermediated Securities pursuant to the Rules.

Notwithstanding the above and anything contrary herein, the Issuer shall make all payments and/or delivery of Entitlements due to the Holders under the Swiss Notes to the Swiss Programme and Paying Agent and, upon receipt by the Swiss Programme and Paying Agent of the due and punctual payment of such funds and/or delivery of Entitlements in Switzerland, the Issuer shall be discharged from its obligations to the Holders under such Swiss Notes to the extent that such funds and/or Entitlement has been received by the Swiss Programme and Paying Agent as of such date.

In respect of Swiss Notes that are in definitive registered form, title to such Swiss Notes shall pass by registration in the Swiss Register.

Holders of Global Notes

2.04a For so long as any of the Notes (other than Swiss Notes that have been transformed into Intermediated Securities) is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or such other clearing system as set out in the applicable Issue Terms, each person (other than Euroclear or Clearstream, Luxembourg or such other clearing system as set out in Part B of the applicable Issue Terms) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or such other clearing system as the holder of a particular principal amount of such Notes (a "**Relevant Account Holder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Temporary Global Note and/or Permanent Global Note or registered holder of a Global Note shall be treated by the Issuer, the Issuing and Paying Agent and any Paying Agent and any Registrar as the holder of such principal amount of such Notes in accordance with and subject to the terms of the Global Note and/or the Deed

of Covenant, as the case may be, and the expression "**Holder**" and related expressions shall be construed accordingly. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures of Euroclear or of Clearstream, Luxembourg or any other relevant clearing system, as the case may be in force from time to time.

Transfer of Registered Notes and exchange of Bearer Notes for Registered Notes

2.05 A Registered Note may, upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement and as required by law, be transferred in whole or in part only (provided that such part is, or is an integral multiple of, the minimum Specified Denomination specified in the applicable Issue Terms) upon the surrender of the Registered Note to be transferred, together with a form of transfer duly completed and executed, at the specified office of the Registrar. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.

2.06 If so specified in the applicable Issue Terms, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement and as may be required by law. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of America (the "**United States**") of the Issuing and Paying Agent or of the Registrar, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than any Coupon where the exchange date (as defined in Condition 2.07) would, but for the provisions of Condition 2.07, occur between the Record Date (as defined in Condition 18.10) for such payment of interest and the next Interest Payment Date for such Coupon.

2.07 Each new Registered Note to be issued upon the registration of the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Issuing and Paying Agent after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Issuing and Paying Agent until the day following the due date for such payment.

For the purposes of these Conditions:

(i) "**Relevant Banking Day**" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Issuing and Paying Agent, in the place where the specified office of the Issuing and Paying Agent is located;

(ii) the "**exchange date**" shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 2.06; and

(iii) the "**transfer date**" shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.05.

2.08 The issue of new Registered Notes on transfer or on the exchange of Bearer Notes for Registered Notes will be effected without charge by or on behalf of the Issuer, the Issuing and Paying Agent or the Registrar, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may require in respect of) any tax, duty or other governmental charges which may be imposed in relation thereto.

Minimum Trading Size

2.09 Notes represented by a Global Note may, if specified in the applicable Issue Terms, be subject to a Minimum Trading Size, in which case such Notes will, for so long as they are cleared through Euroclear or Clearstream, Luxembourg, be transferrable only in a principal amount of not less than such Minimum Trading Size. Notwithstanding the foregoing, such Notes will only be transferrable in accordance with the rules of Euroclear or Clearstream, Luxembourg.

3. Status of the Notes

The Notes constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer (including deposit liabilities), except as otherwise prescribed by law.

4. Interest

For any Non-Exempt Note, the applicable Final Terms will specify whether such Note is (a) a Fixed Rate Note, a Floating Rate Note, a Non-Exempt Reference Item Linked Interest Note of a type specified in Condition 30, or a combination of the foregoing, depending upon the interest provisions included and completed in the applicable Final Terms (b) a Zero Coupon Note or (c) a non-interest bearing Note, in each case depending upon the Interest Basis specified in the applicable Final Terms.

For any Exempt Note, the applicable Pricing Supplement will indicate the applicable Interest Basis.

Interest

Where the Notes are specified to be Fixed Rate Notes (other than Fixed Rate Notes denominated in Renminbi), the interest payable in respect of the Notes will be calculated in accordance with Condition 4.02 (Interest on Fixed Rate Notes) below.

Where the Notes are specified to be Fixed Rate Notes denominated in Renminbi, the interest payable in respect of the Notes will be calculated in accordance with Condition 4.02a (RMB Notes) below.

Where the Notes are specified to be Floating Rate Notes or Non-Exempt Reference Item Linked Interest Notes, the interest payable in respect of the Notes will be calculated in accordance with Condition 4.03 (Interest on Floating Rate Notes and Non-Exempt Reference Item Linked Interest Notes), Condition 4.07 (Interest Amount(s), Calculation Agent and Reference Banks) and Condition 4.08 (Calculations and Adjustments) below and/or the relevant provisions of Condition 30 and Condition 31.

Where the Notes are Exempt Notes which are not Fixed Rate Notes or Floating Rate Notes, the interest payable in respect of the Notes, if any, will be calculated in accordance with the provisions of Condition 4.09 below.

4.01 Words and expressions appearing in this Condition 4 and not otherwise defined herein or in the applicable Issue Terms shall have the meanings given to them in Condition 4.11.

Where the Notes pay interest, the interest is payable as consideration for the use of the Issue Price in respect of a Note and as compensation in recognition that the interest on any or all of the Interest Payment Dates may be equal to zero or less than a commercial rate of return on the Notes and/or that the Final Redemption Amount and/or value of the Entitlement may be less than the Issue Price. For the avoidance of doubt, in the event that the interest amount for an Interest Payment Date is zero or less, no amount shall be payable by the Issuer in respect of such Interest Payment Date.

4.01a Notwithstanding anything to the contrary in these Conditions (and in particular this Condition 4), interest on Swedish Notes shall accrue and be calculated from (but excluding) the Interest Commencement Date to (and including) the first Interest Payment Date and following the first Interest Payment Date from (but excluding) an Interest Payment Date to (and including) the next occurring Interest Payment Date and the definition of "Interest Period" shall be construed accordingly.

Interest on Fixed Rate Notes other than Fixed Rate Notes denominated in Renminbi

This Condition 4.02 applies to Fixed Rate Notes only but does not apply to Fixed Rate Notes denominated in Renminbi. The applicable Issue Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.02 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Issue Terms will specify the Interest Commencement Date, the rate(s) of interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction, the Business Day Convention and any applicable Determination Date.

4.02 Each Fixed Rate Note bears interest on its Outstanding Principal Amount from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date if that does not fall on an Interest Payment Date.

Unless otherwise provided in the applicable Issue Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding,

such date will amount to the Fixed Coupon Amount. Payments of Interest on any Interest Payment Date will, if so specified in the applicable Issue Terms, amount to the Broken Amount(s) so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from and including an Interest Payment Date (or the Interest Commencement Date) to but excluding the next (or first) Interest Payment Date.

Interest will be calculated on the Calculation Amount of the Fixed Rate Notes. If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Issue Terms, such interest shall be calculated in accordance with Condition 4.08.

RMB Notes

This Condition 4.02a applies to Fixed Rate Notes denominated in Renminbi only. The applicable Issue Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4.02a for full information on the manner in which interest is calculated on Fixed Rate Notes denominated in Renminbi. In particular, the applicable Issue Terms will specify the Interest Commencement Date, the rate(s) of interest, the Interest Payment Date(s), the Maturity Date, the Calculation Amount, the Day Count Fraction, the Business Day Convention and any applicable Interest Determination Date.

4.02a Notwithstanding the foregoing, each RMB Note which is a Fixed Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date.

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, calculate the amount of interest payable per Calculation Amount for the relevant Interest Period. The determination of the amount of interest payable per Calculation Amount by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties.

The Calculation Agent will cause the amount of interest payable per Calculation Amount for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Holders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Calculation Amount and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 16, the accrued interest per Calculation Amount shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Calculation Amount so calculated need be made.

Interest shall be calculated in respect of any period by applying the Rate of Interest to the Calculation Amount, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding

the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

4.03 *Interest on Floating Rate Notes and Non-Exempt Reference Item Linked Interest Notes*

This Condition 4.03 applies to Floating Rate Notes and Non-Exempt Reference Item Linked Interest Notes only. The applicable Issue Terms contains provisions applicable to the determination of interest in respect of such Notes and must be read in conjunction with this Condition 4.03 and/or, in the case of Non-Exempt Reference Item Linked Interest Notes, the relevant provisions of Condition 30 and Condition 31 for full information on the manner in which interest is calculated on Floating Rate Notes and Non-Exempt Reference Item Linked Interest Notes. In particular, the applicable Issue Terms will identify any Specified Interest Payment Dates, the Interest Commencement Date, the Business Day Convention and any Additional Business Centres. In respect of Floating Rate Notes, the applicable Issue Terms will specify whether ISDA Rate Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Rate Determination applies to the calculation of interest, the applicable Issue Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Issue Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page. In respect of Non-Exempt Reference Item Linked Interest Notes, the applicable Final Terms will also identify those items specified in the applicable provisions of Condition 30 and Condition 31.

(i) Interest Payment Dates

Each Floating Rate Note, and Non-Exempt Reference Item Linked Interest Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Issue Terms with the first Interest Payment Date (the **"First Interest Payment Date"**) being as specified in the applicable Issue Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Issue Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period(s) in the applicable Issue Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date. Interest will be calculated on the Calculation Amount of the Floating Rate Notes and Non-Exempt Reference Item Linked Interest Notes.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Issue Terms. The Rate of Interest

payable from time to time in respect of Non-Exempt Reference Item Linked Notes will be determined in accordance with the relevant provisions of Condition 30 and Condition 31.

(iii) Screen Rate Determination

Where the Screen Rate Determination is specified in the applicable Issue Terms as the manner in which the Rate of Interest is to be determined:

(i) the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation, or

(2) the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the offered quotations

(expressed as a percentage rate per annum) for the Reference Rate (being LIBOR, EURIBOR or CNH HIBOR as specified in the applicable Issue Terms) for deposits in the Specified Currency for that Interest Period which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, all as determined by the Calculation Agent;

(ii) if, on any Interest Determination Date, no such Reference Rate so appears or, as the case may be, if fewer than two offered quotations so appear or if the Relevant Screen Page is unavailable or if the offered rate or rates which appear as at the Relevant Time do not apply to a period or duration equal to the Interest Period, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR or in Hong Kong interbank market in the case of CNH HIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or

(iv) if, on any Interest Determination Date, fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Financial Centre as selected by the Calculation Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Notes during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates so determined plus or minus (as indicated in the applicable Issue Terms) the Margin, if any, provided however that if the Calculation Agent is unable to determine a rate or, as the case may be, an arithmetic mean of rates in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Notes during such Interest Period will be the rate or, as the case may be, the arithmetic mean (rounded as aforesaid) of the rates determined in relation to such Notes in respect of the last preceding Interest Period plus or minus (as indicated in the applicable Issue Terms) the Margin, if any.

(iv) *ISDA Rate Determination*

Where ISDA Rate Determination is specified in the Issue Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Issue Terms) the Margin, if any. For purposes of this Condition 4.03(iv), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be calculated by the Issuing and Paying Agent under an interest rate swap transaction if the Issuing and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement to which the ISDA Definitions applied and under which:

— the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Issue Terms;

— the Designated Maturity is the period specified in the applicable Issue Terms; and

— the relevant Reset Date is the day specified in the applicable Issue Terms.

For the purposes of this Condition 4.03(iv) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Maximum or Minimum Rate of Interest

4.04 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable Issue Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise stated in the applicable Issue Terms, the Minimum Rate of Interest in respect of any Notes shall be deemed to be zero.

Linear Interpolation

4.05 Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Issue Terms, the Rate of Interest for such Interest Period shall be calculated by the Issuing and Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Issue Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Issue Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no

rate available for a period of time next shorter or, as the case may be, next longer, then the Issuing and Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

Accrual of Interest

4.06 Subject to Condition 18.16, interest on a Note will cease to accrue from the due date for its redemption (or, in the case of an Exempt Note which is an Instalment Note, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount or the relevant Instalment Amount (as applicable) is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the applicable Issue Terms if permitted by applicable law ("**Default Rate**") until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

4.07 If a Calculation Agent is specified in the applicable Issue Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or, Instalment Amount (in the case of an Exempt Note), obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the "**Interest Amount(s)**") in the manner specified in Condition 4.08 below, calculate the Final Redemption Amount or Instalment Amount (as applicable), obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount (as applicable) to be notified to the Issuing and Paying Agent, the Registrar (in the case of Registered Notes), the Issuer, the Holders in accordance with Condition 23 and, if the Notes are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 15, the Rate of Interest and any accrued interest payable in respect of the Notes shall nevertheless continue to be

calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount (in the case of an Exempt Note), the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest or proven error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

The Issuer will procure that there shall at all times be such Reference Banks as may be required for the purpose of determining the Rate of Interest applicable to the Notes and a Calculation Agent, if provision is made for one in the Conditions.

If the Calculation Agent is incapable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Calculations and Adjustments

4.08 The amount of interest payable in respect of any Note for any period shall be calculated (a) in the case of a Non-Exempt Reference Item Linked Interest Note, in accordance with the relevant provisions of Condition 30 and Condition 31 or (b) in the case of any other Note, by applying the Rate of Interest to the Calculation Amount, and multiplying such sum by the Day Count Fraction, save that in the case of an Exempt Note (i) if the Pricing Supplement specifies a specific amount, or a formula for the calculation of an amount, in respect of such period, the amount of interest payable in respect of such Note for such Interest Period will be equal to such amount and (ii) in the case of Fixed Rate Notes, the interest shall be calculated on such basis as may be specified in the applicable Pricing Supplement.

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in the Issue Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the smallest sub-unit of such currency, with halves being rounded upwards.

Where the Notes are represented by a Global Note or where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Outstanding Principal Amount of the Global Note or the Specified Denomination of a Note in definitive form, without any further rounding.

Specific interest provisions applicable to certain types of Exempt Notes

4.09 The rate or amount of interest payable in respect of Exempt Notes which are not Fixed Rate Notes or Floating Rate Notes (for which, if Screen Rate Determination is specified as applicable in the applicable Pricing Supplement, the Reference Rate is LIBOR or

EURIBOR or CNH HIBOR) shall be determined in the manner specified in the applicable Pricing Supplement.

4.10 In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up principal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

Definitions

4.11 In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Banking Day**" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that city.

"**Business Day**" means:

(i) either (A) in relation to Notes payable in a Specified Currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the principal financial centre of the country of the relevant Specified Currency specified in the applicable Issue Terms or (B) in relation to Notes payable in euro, a day (other than a Saturday or Sunday) which is a TARGET Business Day (as defined below) or (C) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in each Relevant Renminbi Settlement Centre, as defined in Condition 18.20 below; and

(ii) a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Centre(s) specified in the applicable Issue Terms and, if TARGET is specified in the applicable Issue Terms as a relevant Business Centre, a day (other than a Saturday or Sunday) which is a TARGET Business Day.

"**Business Day Convention**" means a convention for adjusting any date if (i) it would otherwise fall on a day that is not a Business Day or (ii) there is no numerically corresponding day in the calendar month(s) in which such date should occur, and the following Business Day Conventions, where specified in the Issue Terms in relation to any date applicable to any Notes, shall have the following meanings:

(A) "**Following Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day;

(B) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(C) "**Preceding Business Day Convention**" means that such date shall be brought forward to the first preceding day that is a Business Day; and

(D) "**FRN Convention**" or "**Eurodollar Convention**" means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Issue Terms after the calendar month in which the preceding such date occurred, provided that:

(1) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(2) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(3) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

"**Calculation Agent**" means such agent as may be specified in the Issue Terms as the Calculation Agent.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (each such period an "**Accrual Period**"), such day count fraction as may be specified in the Issue Terms and:

(a) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Accrual Period divided by 365;

(c) if "**Actual/365 (Sterling)**" is so specified, means the actual number of days in the Accrual Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Accrual Period divided by 360;

(e) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

"**Y_1**" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31, in which case D_2 will be 30;

(f) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

"**Y_1**" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Accrual Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where,

"**Y_1**" is the year, expressed as a number, in which the first day of the Accrual Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Accrual Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Accrual Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(h) if "**Actual/Actual (ICMA)**" is so specified:

(i) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(ii) if the Accrual Period is longer than the Determination Period, the sum of:

(x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year

where:

"**Determination Date**" means such dates as specified in the applicable Issue Terms; and

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"**Euro-zone**" means the region comprised of those member states of the European Union participating in the European Monetary Union from time to time.

"**Financial Centre**" means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions or indicated in the applicable Issue Terms or, in the case of Notes denominated in euro, such financial centre or centres as the Calculation Agent may select.

"**Hong Kong Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in Hong Kong.

"**Interest Commencement Date**" means the date of issue (the "**Issue Date**") of the Notes (as specified in the Issue Terms) or such other date as may be specified as such in the applicable Issue Terms.

"**Interest Determination Date**" means, in respect of any Interest Period or determining the interest amount in relation to RMB Notes, the date specified in the applicable Issue Terms, or if none is specified:

(i) the first day of such Interest Period;

(ii) in the case of LIBOR (other than Sterling LIBOR) or EURIBOR, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET Business Days) prior to the first day of such Interest Period; or

(iii) in the case of CNH HIBOR, the date falling two Hong Kong Business Days prior to the first day of such Interest Period.

"**Interest Payment Date**" means the date or dates specified as such in, or determined in accordance with the provisions of, the applicable Issue Terms and, as the same may be adjusted in accordance with the Business Day Convention, if any, specified in the applicable Issue Terms or if the Business Day Convention is the FRN Convention and an interval of a number of calendar months is specified in the Issue Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date of the Notes (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"**Interest Period**" means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date, provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the Maturity Date.

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as

specified in the Issue Terms) as published by the International Swaps and Derivatives Association, Inc.).

"**Minimum Trading Size**" has the meaning ascribed to it in the applicable Issue Terms.

"**Outstanding Principal Amount**" means, in respect of a Note, its principal amount less, in respect of any Exempt Note which is an Instalment Note, any principal amount on which interest shall have ceased to accrue in accordance with Condition 4.06 or, in the case of an Exempt Note which is a Partly Paid Note, the Paid Up Amount of such Note or otherwise as indicated in the applicable Pricing Supplement.

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Notes specified in, or calculated or determined in accordance with the provisions of, as applicable, this Condition 4, Condition 30, Condition 31 and/or the applicable Issue Terms.

"**Reference Banks**" means such banks as may be specified in the applicable Issue Terms as the Reference Banks, or, if none are specified, "**Reference Banks**" has the meaning given in the ISDA Definitions, *mutatis mutandis*.

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Final Terms or Pricing Supplement, or such other page, section or other part as may replace it in that information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the Issue Terms (which in the case of LIBOR means London time or in the case of EURIBOR means Central European Time or in the case of CNH HIBOR means Hong Kong time) or, if none is specified, at which it is customary to determine such rate.

"**Reuters Screen**" means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Market 3000 (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to the Reference Rate).

"**TARGET Business Day**" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

Zero-Coupon Notes

4.12 If any Final Redemption Amount in respect of any Zero Coupon Note is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Accrual Yield defined in, or determined in accordance with the provisions of, the applicable Issue Terms or at such other rate as may be specified for this purpose in the applicable Pricing Supplement until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the

extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 4.08 as if the Rate of Interest was the Accrual Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Issue Terms or, if not so specified, 30E/360 (as defined in Condition 4.11).

5. Redemption and Purchase

For any Non-Exempt Note, the applicable Final Terms will specify whether such Note is a Non-Exempt Reference Item Linked Redemption Note of a type specified in Condition 30 or a Non-Exempt Physical Delivery Note.

For any Exempt Note, the applicable Pricing Supplement will indicate the applicable Redemption / Payment Basis.

Redemption at Maturity

5.01 Unless previously redeemed, or purchased and cancelled each Note (unless otherwise specified in Condition 30 (in the case of a Non-Exempt Note) or the applicable Pricing Supplement or the Conditions relating to Reference Item Linked Notes (in the case of an Exempt Note)) shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms or, in the case of an Exempt Note, determined in the manner specified in the applicable Pricing Supplement in the Specified Currency on the Maturity Date.

The Final Redemption Amount is payable as consideration for the use of the Issue Price of the Notes and as compensation in recognition that the Final Redemption Amount might otherwise have been less than the Issue Price.

Early Redemption for Taxation Reasons

5.02 If, in relation to any Series of Notes (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of Notes issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the Issue Date of such Notes or any other date specified in the applicable Issue Terms, the Issuer would be required to pay additional amounts as provided in Condition 17, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than the minimum period and no more than the maximum period of notice specified in the applicable Issue Terms (ending, in the case of Floating Rate Notes or other Reference Item Linked Notes, on an Interest Payment Date) to the Holders of the Notes in accordance with Condition 23 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at the Early Redemption Amount determined in accordance with the provisions of Condition 5.09, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes or other Reference Item Linked Notes a number

of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 5.06.

Call Option

This Condition 5.03 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or upon an illegality), such option being referred to as a "Call Option". The applicable Issue Terms contains provisions applicable to any Call Option and must be read in conjunction with this Condition 5.03 for full information on any Call Option. In particular, the applicable Issue Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

5.03 If Call Option is specified in the applicable Issue Terms as being applicable, then the Issuer may, having given not less than the minimum period and no more than the maximum period of notice specified in the applicable Issue Terms to the Holders in accordance with Condition 23, which notice shall be irrevocable and shall specify the date fixed for redemption, and in the case of any Exempt Notes subject to such conditions as may be specified in the applicable Pricing Supplement and subject to Condition 15.03 in the case of Preference Share Linked Notes, redeem all or, if so specified in the applicable Issue Terms, some only of the Notes of this Series outstanding on any Optional Redemption Date at the Optional Redemption Amount(s) specified in the applicable Final Terms or, in the case of an Exempt Note, determined in the manner specified in the applicable Pricing Supplement together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 5.06.

5.04 The appropriate notice referred to in Condition 5.03 is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 23, which notice shall be irrevocable and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;
- the due date for such redemption which shall be such date or the next of such dates ("**Call Option Date(s)**") or a day falling within such period ("**Call Option Period**"), as may be specified in the applicable Issue Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such Notes are to be redeemed.

Partial Redemption

5.05 If the Notes are to be redeemed in part only on any date in accordance with Condition 5.03:

— such redemption must be for an amount not less than the Minimum Redemption Amount nor more than the Maximum Redemption Amount, in each case as may be specified in the applicable Issue Terms;

— in the case of a partial redemption of Definitive Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair;

— in the case of a Global Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg or such other relevant clearing system as either a pool factor or a reduction in principal amount, at their discretion);

— in the case of Registered Notes, Swedish Notes and Finnish Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Note shall be equal to the minimum Specified Denomination thereof or an integral multiple thereof, and

— in the case of Swiss Notes, the Notes to be redeemed shall be selected in accordance with the rules of SIX SIS (to be reflected in the records of SIX SIS as either a pool factor or a reduction in principal amount, at their discretion),

subject always to compliance with all applicable laws and the requirements of any stock exchange on which the relevant Notes may be listed.

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Conditions 2.05 to 2.08, which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

Put Option

This Condition 5.06 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Holder of any Note, such option being referred to as a "Put Option". The applicable Issue Terms contains provisions applicable to any Put Option and must be read in conjunction with this Condition 5.06 for full information on any Put Option. In particular, the applicable Issue Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

5.06 If Put Option is specified in the applicable Issue Terms as being applicable, upon the Holder of any Note of this Series giving to the Issuer not less than the minimum period nor

more than the maximum period of notice specified in the applicable Issue Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Note in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms or, in the case of an Exempt Note, determined in accordance with the provisions of, the applicable Pricing Supplement, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, within the notice period deposit the relevant Note (together, in the case of a Definitive Note that is not a Zero Coupon Note, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the Optional Redemption Date (failing which the provisions of Condition 18.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any Paying Agent or, as the case may be, the Registrar specifying, in the case of a Global Note or Registered Note, the aggregate principal amount in respect of which such option is exercised (which must be the minimum Specified Denomination specified in the applicable Issue Terms or an integral multiple thereof). Notwithstanding the foregoing, Notes represented by a Global Note or Registered Note shall be deemed to be deposited with a Paying Agent or the Registrar, as the case may be, for purposes of this Condition 5.06 at the time a Put Notice has been received by the Paying Agent or Registrar, as the case may be, in respect of such Notes. No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement). In the case of Exempt Notes only, it may be that before an Investor Put can be exercised, certain other conditions and/or circumstances will also need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Conditions 2.05 to 2.08 which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

The Holder of a Note may not exercise such Put Option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 5.02 or 5.03.

Redemption for Illegality

This Condition 5.07 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer upon an illegality as described below, such option being referred to as a "Redemption for Illegality". The applicable Issue Terms contains provisions applicable to any Redemption for Illegality and must be read in conjunction with this Condition 5.07 for full information on any Redemption for Illegality. In particular, the applicable Issue Terms will identify the applicable notice periods.

5.07 In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or any arrangement made to hedge the Issuer's obligations under the Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to Holders in accordance with Condition 23 (which notice shall be

irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Trigger Early Redemption

This Condition 5.08 applies to Notes which are subject to redemption prior to the Maturity Date on the occurrence of a specified event described as a trigger early redemption event, such redemption being referred to as a "Trigger Event Redemption". In the case of a Non-Exempt Note Condition 30 and Condition 31 contains provisions applicable to any Trigger Event Redemption and must be read in conjunction with this Condition 5.08. The applicable Issue Terms also contains provisions applicable to any Trigger Event Redemption and must be read in conjunction with this Condition 5.08 and, as applicable, Condition 30 and Condition 31 for full information on any Trigger Event Redemption. In particular, the applicable Issue Terms will specify the relevant Trigger Early Redemption Event (including whether any upper and/or lower barriers apply and the applicable valuation provisions), the Trigger Early Redemption Date(s) and the relevant Trigger Early Redemption Amount.

5.08 If Trigger Early Redemption is specified as applicable in the applicable Issue Terms, on the occurrence of the Trigger Early Redemption Event, the Issuer has the obligation to redeem the Notes on the applicable Trigger Early Redemption Date against payment of the applicable Trigger Early Redemption Amount in accordance with the Conditions of the Notes.

5.09 ***Early Redemption Amounts***

For the purpose of a redemption pursuant to Condition 5.02, Condition 5.07 or Condition 16 or in the case of any other early redemption of the Notes pursuant to an applicable Reference Item Linked Condition, the Early Redemption Amount in respect of each principal amount of Notes equal to the Calculation Amount will be calculated as follows:

(a) in the case of a Note (other than a Reference Item Linked Note) with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, an amount equal to the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Reference Item Linked Note or a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series or which is payable in a Specified Currency other than that in which the Note is denominated, the amount specified in, the applicable Issue Terms or, if no such amount is so specified in the applicable Issue Terms, at its principal amount;

(c) in the case of a Zero Coupon Note, an amount (the "**Amortised Face Amount**") calculated as follows:

(i) if Zero Coupon Early Redemption Amount 1 is specified in the applicable Issue Terms,

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{y}$$; or

(ii) if Zero Coupon Early Redemption Amount 2 is specified in the applicable Issue Terms,

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY} \times \text{y})$$

where:

RP means the Reference Price; and

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Issue Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator 360), (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360), (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365) or (iv) Actual/Actual (ICMA) (in which case the Accrual Period will commence on (and include) the Issue Date of the first Tranche of the Notes and end on (but exclude) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable);

(d) in the case of a Reference Item Linked Note (other than a Preference Share Linked Note) an amount determined by the Calculation Agent equal to the fair market value of such Notes on the Market Valuation Date specified in the applicable Issue Terms taking into account, if applicable, the event resulting in the early redemption of the Notes, all as determined by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate and less Early Redemption Unwind Costs. For the purposes of determining the fair market value of the Notes following an event of default, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes;

(e) in the case of a Preference Share Linked Note, an amount in the Specified Currency calculated by the Calculation Agent on the same basis as its Final Redemption Amount, except that the definition of Preference Share $\text{Value}_{\text{final}}$ shall be the Preference Share Value on the Early Redemption Valuation Date; or

(f) in the case of an Exempt Note, on such other calculation basis as may be specified in the applicable Pricing Supplement.

For the purposes of this Condition 5.09, "**Early Redemption Unwind Costs**" means an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each principal amount of Notes equal to the Calculation Amount.

Purchase of Notes

5.10 The Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of the relevant Notes alike.

Cancellation of Redeemed and Purchased Notes

5.11 All unmatured Notes and Coupons redeemed in accordance with this Condition 5 will be cancelled forthwith and may not be reissued or resold. All unmatured Notes and Coupons purchased in accordance with Condition 5.10 may be cancelled or may be reissued or resold.

Further Provisions applicable to Redemption Amount and Instalment Amounts

5.12 The provisions of Condition 4.07 and the second paragraph of Condition 4.08 shall apply to any determination or calculation of the Redemption Amount or, in the case of an Exempt Note, any Instalment Amount required by the applicable Issue Terms to be made by the Calculation Agent.

References herein to "**Redemption Amount**" shall mean, as appropriate, the Final Redemption Amount, Final Instalment Amount (in the case of an Exempt Note), the Optional Redemption Amount, the Trigger Early Redemption Amount, the Early Redemption Amount or, in the case of an Exempt Note, such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the provisions of the applicable Pricing Supplement.

5.13 If any Redemption Amount (other than the Final Redemption Amount) of any Zero Coupon Note is improperly withheld or refused or default is otherwise made in the payment thereof, the amount due and repayable will be the amount calculated as provided in Condition 5.09 but as if references therein to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date (the "**Reference Date**") which is the earlier of:

(i) the date on which, upon due presentation or surrender of the relevant Note (if required), all amounts due have been paid; and

(ii) the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder). The calculation of the amount due and repayable in accordance with this sub-paragraph will continue to be made, after as well as before judgement, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the scheduled Final Redemption

Amount of the Note on the Maturity Date together with interest which may accrue in accordance with Condition 4.06.

Specific redemption provisions applicable to certain types of Exempt Notes

5.14 Notes may be issued on a partly paid basis ("**Partly Paid Notes**") if so specified in the Pricing Supplement. The Issue Price therefor shall be paid in such number of instalments, in such amounts, on such dates and in such manner as may be specified in the applicable Pricing Supplement. The first such instalment shall be due and payable on the Issue Date. For the purposes of these Conditions, in respect of any Partly Paid Note, "**Paid Up Amount**" means the aggregate amount of all instalments in respect of the Issue Price as shall have fallen due and been paid up in full in accordance with these Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any instalment (other than the first such payment) the Issuer shall give a notice in accordance with Condition 16 stating the due date for payment thereof and stating that failure to pay any such instalment on or prior to such date will entitle the Issuer to forfeit the Notes with effect from such date ("**Forfeiture Date**") as may be specified in such notice (not being less than 14 days after the due date for payment), unless payment of the relevant instalment amount together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any amount paid in respect of any Partly Paid Notes subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any amount so returned.

Interest shall accrue on any amount which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of Zero Coupon Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Notes for the period from and including the due date for payment of the relevant amount up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any amount made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 4.11).

Unless an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Notes in respect of which any amount shall not have been duly paid, whereupon the Issuer shall be entitled to retain the Paid-Up Amount in respect of such Notes and shall be discharged from any obligation to repay such amount or to pay interest thereon, or (where such Notes are represented by a Temporary Global Note or a Permanent Global Note) to exchange any interests in such Note for interests in a Permanent Global Note or to deliver Definitive Notes or Registered Notes in respect thereof, but shall have no other rights against any person entitled to the Notes which have been so forfeited.

Without prejudice to the right of the Issuer to forfeit any Notes, for so long as any amount remains due but unpaid, and except in the case where an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, (i) no interests in a Temporary Global Note may be exchanged for interests in a Permanent Global Note and (ii) no transfers of Registered Notes or exchanges of Bearer Notes for Registered Notes may be requested or effected.

Until such time as the Issue Price in respect of Partly Paid Notes shall have been paid in full and except in the case where an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing or if any of Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event, no interests in a Temporary Global Note or a Permanent Global Note may be exchanged for Definitive Notes or Registered Notes.

5.15 Any Instalment Note will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement.

5.16 Notwithstanding the foregoing:

(i) the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property and that amend and/or supplement Condition 9 shall be set forth in the applicable Pricing Supplement; and

(ii) any additional redemption events which shall enable the Issuer to redeem the Notes of any Series shall be set forth in the applicable Pricing Supplement

6. Credit Linked Redemption Notes

This Condition applies to Exempt Notes only.

Provisions relating to the redemption of Credit Linked Redemption Notes will be set out in the applicable Pricing Supplement.

7. Index Linked Notes

If the Notes are specified as Index Linked Interest Notes and/or Index Linked Redemption Amount Notes in the applicable Issue Terms, then the provisions of this Condition 7 shall apply.

7.01 *Redemption of Index Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each principal amount of the Index Linked Redemption Notes equal to the Calculation Amount set out in the applicable Issue Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in the applicable Final Terms (unless otherwise specified in Condition 30 in the case of a Non-Exempt Note) or, in the case of an Exempt Note, determined in the manner specified in, the applicable Pricing Supplement.

7.02 *Adjustments to an Index and Additional Disruption Events*

(i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially

similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

(ii) Modification and Cessation of Calculation of an Index

If (x) on or prior to a Valuation Date, an Observation Date or an Averaging Date (or, in the case of Exempt Notes, such other date as specified in the applicable Pricing Supplement) the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"), or (y) on a Valuation Date, an Observation Date or an Averaging Date (or, in the case of Exempt Notes, such other date as specified in the applicable Pricing Supplement), the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent in its sole and absolute discretion to determine if such Index Adjustment Event has a material effect on the Notes and, if so, to calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date or, in the case of Exempt Notes, such other date as specified in the applicable Pricing Supplement, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) on giving notice to the Holders in accordance with Condition 23, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 23 stating the occurrence of an Index Adjustment Event and giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice shall not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

(iii) Additional Disruption Events

If Additional Disruption Events are specified as applicable in the applicable Issue Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment;

(B) give notice to the Holders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or

(C) if the applicable Issue Terms provide that "**Index Substitution**" is applicable, then on or after the Additional Disruption Event the Calculation Agent may select one or more indices (each a "**Substitute Index**") in accordance with the Index Substitution Criteria to substitute in place of the Indices (each an "**Affected Index**") which are affected by such Additional Disruption Event and each Substitute Index will be deemed to be an "Index" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice shall not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

(iv) Correction to an Index

In the event that any price or level published by the relevant Index Sponsor or Successor Index Sponsor which is utilised for any calculation or determination made for the purposes of the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor or Successor Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange, or if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the relevant Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

7.03 ***Definitions applicable to Index Linked Notes***

"**Additional Disruption Event**" means Change in Law, Hedging Disruption, Increased Cost of Hedging in each case if specified in the applicable Issue Terms, or, in the case of an Exempt Note, any other Additional Disruption Event, as specified in the applicable Pricing Supplement.

"**Affiliate**" means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means the ownership of a majority of the voting power of the entity and "**controlled by**" and "**controls**" shall be construed accordingly.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Issue Terms provided that, if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

(i) if 'Omission' is specified in the applicable Issue Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Level. If through operation of this provision no Averaging Date would occur, then for the purposes of determining the Reference Level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;

(ii) if 'Postponement' is specified in the applicable Issue Terms, then for purposes of determining the Reference Level, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked Notes; or

(iii) if 'Modified Postponement' is specified in the applicable Issue Terms, then:

(A) where the Notes relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Level for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or

(B) where the Notes relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Valid Date in relation to such Affected Index. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Index and (ii) the Calculation Agent shall determine the Reference Level of the Affected Index for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; and

(C) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

"**Basket of Indices**" means a basket comprising two or more indices specified in the applicable Issue Terms in the relevant Weightings as specified in the applicable Issue Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Issue Terms) (A) due to the adoption of or any change in any applicable

law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

"**Closing Level**" means the official closing level of the Index as published by the relevant Index Sponsor.

"**Disrupted Day**" means (i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or (ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

"**Exchange**" means, (i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or (ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, in relation to each component security included in that Index (each a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

"**Exchange Business Day**" means, (i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time; or (ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

"**Final Redemption Amount**" means:

(i) in the case of a Non-Exempt Note which is an Index Linked Redemption Note, an amount calculated in accordance with the provisions of Condition 30 and Condition 31;

(ii) in the case of an Exempt Note which is an Index Linked Redemption Note, an amount calculated by the Calculation Agent equal to:

(a) if Call Option is specified as applicable in the applicable Pricing Supplement ("**Call Index Linked Redemption Note**"):

$$\frac{\text{Reference Level}}{\text{Initial Level}} \times \text{Specified Denomination; or}$$

(b) if Put Option is specified as applicable in the applicable Pricing Supplement ("**Put Index Linked Redemption Note**"), an amount calculated by the Calculation Agent equal to:

$$\frac{\text{Initial Level}}{\text{Reference Level}} \times \text{Specified Denomination; or}$$

(c) such other amount specified in, or determined in the manner specified in, the applicable Pricing Supplement,

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded as provided in Condition 4.08.

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Entity**" means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to the Index in respect of the Issuer's obligations under the Notes.

"**Increased Cost of Hedging**" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the relevant securities or other risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

"**Index**" and "**Indices**" mean, subject to adjustment in accordance with Condition 7.02, the index or indices specified in the applicable Issue Terms and related expressions shall be construed accordingly.

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Issue Terms.

"**Index Substitution Criteria**" means that the main characteristics of the Substitute Index are equivalent to the Affected Index which characteristics may include, without limitation, its strategy, its currency, the periodicity of its computation and publication, its level, the category(ies) and listing or quotation on an exchange or quotation system of its underlying assets, the geographical and economic sectors reflected and its management procedures (dates of rebalancing), all as determined by the

Calculation Agent in its sole and absolute discretion or, in the case of Exempt Notes, such other criteria as specified in the applicable Pricing Supplement.

"**Initial Level**" means, in respect of an Index, the level specified as such in the applicable Issue Terms.

"**Intraday Level**" means the level of an Index observed by the Calculation Agent at any time during the regular trading session hours of the relevant Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

"**Least Performer**" means, with respect to an Exchange Business Day during the Observation Period, the Index in respect of which the following formula yields, in the determination of the Calculation Agent, the smallest positive number if the results of the formula below are positive for all indices comprised in the basket or, if not, the largest negative number, on such Exchange Business Day:

(Reference Level of the Index on the Exchange Business Day minus the Initial Level with respect to such Index) divided by the Initial Level with respect to such Index,

provided that if the above formula yields the same number with respect to two or more Indices the Calculation Agent shall determine the Least Performer.

"**Market Disruption Event**" means, in respect of an Index:

(i) where the relevant Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or

(y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

(B) any event (other than an event described in ((b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Index on any relevant Exchange(s), or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as

the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

(ii) where the relevant Index is specified in the applicable Issue Terms as being a Multi-Exchange Index either:

(a) the occurrence or existence, in respect of any Component Security, of:

(x) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(y) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(z) an Early Closure; and

(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or

(c) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption or (B) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure.

As used above:

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to

be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on any Related Exchange.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

For the purposes of determining whether a Market Disruption Event exists in respect of a Multi-Exchange Index exists at any time, if a Market Disruption Event occurs in respect of such Component Security included in the Index at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security and (ii) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data" immediately before the occurrence of such Market Disruption Event.

"**Multi-Exchange Index**" means an Index identified or specified as such in the applicable Issue Terms or, if not so identified or specified, any Index which the Calculation Agent determines to be a Multi-Exchange Index.

"**Observation Date(s)**" means each date specified as such in the applicable Issue Terms, provided that if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent, shall, where practicable in the case of Exempt Notes determine the Reference Level in the manner set out in the applicable Pricing Supplement, or if not set out or not so practicable or in the case of Non-Exempt Notes, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 7.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 8.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith

estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

(ii) where the Notes relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be that Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable in the case of Exempt Notes, determine the Reference Level in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt Notes, determine the Reference Level by using the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 7.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 8.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

"**Observation Period**" means the period specified as such in the applicable Issue Terms.

"**Principal Protected**" means an amount equal to 100 per cent. of the Calculation Amount. For the avoidance of doubt, the Principal Protection does not apply if the Notes are redeemed early or sold by an Investor prior to the Maturity Date.

"**Protection Amount**" means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Issue Terms, means that the Final Redemption Amount will, subject to the applicable Issue Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the Calculation Amount. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon, among others, the occurrence of an Early Redemption for Taxation Reasons, an Index Adjustment Event, a Potential Adjustment Event, or an Event of Default.

"**Reference Level**" means, in the case of an Exempt Note unless otherwise specified in the applicable Pricing Supplement, in respect of a Valuation Date, Observation Date or Averaging Date:

(i) where the Notes are specified in the applicable Issue Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the Specified Level of the Index on the relevant date (or if a Valuation Time is specified in the applicable Issue Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject as provided in this Condition 7; and

(ii) where the Notes are specified in the applicable Issue Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the Specified Level of each Index on the relevant date, (or if a Valuation Time is specified in the applicable Issue Terms, the level of each Index determined by the Calculation Agent at such Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject as provided in this Condition 7, multiplied by the relevant Weighting specified in the applicable Issue Terms.

"**Related Exchange**" means, subject to the proviso below, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where 'All Exchanges' is specified as the Related Exchange in the applicable Issue Terms, 'Related Exchange' shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

"**Scheduled Averaging Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Observation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"**Scheduled Trading Day**" means:

(i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or

(ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of that Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"**Specified Level**" means the Closing Level or the Intraday Level, as specified in the applicable Issue Terms.

"**Trade Date**" means the date specified as such in the applicable Issue Terms.

"**Valuation Date**" means each date specified as such in the applicable Issue Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (A) the eighth Scheduled Trading Day for the Index shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent, shall, where practicable in the case of Exempt Notes, determine the Reference Level in the manner set out in the applicable Pricing Supplement, or if not set out or not so practicable or in the case of Non-Exempt Notes, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 7.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 8.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

(ii) where the Notes relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall where practicable in the case of Exempt Notes, determine the Reference Level in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt Notes, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 7.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 8.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

"**Valuation Time**" means:

(i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the

specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;

(ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange in respect of such Component Security and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(iii) where the Specified Level is the Intraday Level, each relevant time at which the Reference Level is determined.

"**Weighting**" means the weight to be applied to each of the Indices comprising the Basket of Indices, as specified in the applicable Issue Terms.

8. Equity Linked Notes

If the Notes are specified as Equity Linked Interest Notes and/or Equity Linked Redemption Amount Notes in the applicable Issue Terms, the provision of this Condition 8 shall apply.

8.01 *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each principal amount of Equity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Issue Terms will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the applicable Issue Terms, by payment of the Final Redemption Amount specified in the applicable Final Terms (unless otherwise specified in Condition 30 in the case of a Non-Exempt Note) or, in the case of an Exempt Note, determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date or (B) if Physical Delivery is specified in the applicable Issue Terms, by delivery of the Entitlement, in the case of a Non-Exempt Note, determined in the manner specified in Condition 30 or, in the case of an Exempt Note, specified in, or determined in the manner specified in, the applicable Pricing Supplement (subject as provided below) or (C) in the case of an Exempt Note, if Cash Settlement and/or Physical Delivery is specified in the applicable Pricing Supplement, by payment of the Final Redemption Amount and/or by delivery of the Entitlement on the terms set out in the applicable Pricing Supplement, in each case on the Maturity Date (subject as provided below).

8.02 *Potential Adjustment Events; De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency; Additional Disruption Events; and Adjustments for Equity Linked Notes in respect of Non-Euro Quoted Entities*

(i) If Potential Adjustment Events are specified as applicable in the applicable Issue Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and

absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so, the Issuer in its sole and absolute discretion shall either:

(A) (1) require the Calculation Agent to make the corresponding adjustment, if any, to any one or more of the terms of these Conditions and/or the applicable Issue Terms, as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) and (2) determine the effective date of that adjustment; or

(B) after giving notice to the Holders in accordance with Condition 23, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or

(C) if the applicable Issue Terms provide that "**Equity Substitution**" is applicable, then on or after the relevant Potential Adjustment Event, the Calculation Agent may select one or more equities (each a "**Substitute Equity**") in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an "**Affected Equity**") which are affected by such Potential Adjustment Event and each Substitute Equity will be deemed to be an "Equity" and the relevant issuer of such equities, a "Equity Issuer" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 8.02(i) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon making an adjustment pursuant to Condition 8.02(i)(A), the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23, stating the adjustment made to the terms of these Conditions and/or the applicable Issue Terms and giving brief details of the Potential Adjustment Event provided that any failure to give, or non-receipt of, such notice will not affect the validity of such adjustment.

(ii) If (x) De-listing, Merger Event, Nationalisation and/or Insolvency is specified as applicable in the applicable Issue Terms and/or (y) Tender Offer is specified as applicable in the applicable Issue Terms, and (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Equity, the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Issue Terms to account for the De-listing, Merger Event, Tender Offer,

Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or

(B) where the Equity Linked Notes relate to a Basket of Equities on giving notice to the Holders in accordance with Condition 23 redeem each Note in part. If a Note is so redeemed in part the portion (the "**Partial Amount**") of each such Note representing the affected Equity(s) shall be redeemed and the Issuer will (x) pay to each Holder in respect of each Note held by it an amount equal to the fair market value of the Partial Amount together with any accrued interest thereon, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (y) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Conditions and/or the applicable Issue Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each such Note after redemption and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 23; or

(C) after giving notice to the Holders in accordance with Condition 23, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or

(D) if the applicable Issue Terms provide that "**Equity Substitution**" is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-listing (as the case may be), the Calculation Agent may select one or more equities (each a "**Substitute Equity**") in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an "**Affected Equity**") which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing and each Substitute Equity will be deemed to be an "Equity" and the relevant issuer of such equities, a "Equity Issuer" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 8.02(ii) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or

Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

(iii) If Additional Disruption Events are specified as applicable in the applicable Issue Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:

(A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(B) give notice to the Holders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or

(C) if the applicable Issue Terms provide that "**Equity Substitution**" is applicable, then on or after the relevant Additional Disruption Event, the Calculation Agent may select one or more equities (each a "**Substitute Equity**") in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an "**Affected Equity**") which are affected by such Additional Disruption Event and each Substitute Equity will be deemed to be an "Equity" and the relevant issuer of such equity, a "Equity Issuer" for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

(iv) Non-Euro Quoted Equities

In respect of Equity Linked Redemption Notes relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Issue Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the terms of these Conditions and/or the applicable Issue Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the relevant Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing

as of the relevant Valuation Time. No adjustments under this Condition 8.02(iv) will affect the currency denomination of any payment obligation arising out of the Notes.

(v) Correction of Prices or Levels of an Equity

In the event that any price or level of an Equity published by an Exchange which is utilised for any calculation or determination made for the purposes of the Notes is subsequently corrected, the corrected price or level is deemed to be the relevant price or level for such Equity, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the Specified Interest Payment Date to make such adjustment prior to the relevant date.

Partial Lookthrough Depositary Receipt Provisions

8.03 Where the applicable Issue Terms specify that the "Partial Lookthrough Depositary Receipt Provisions" shall apply to an Equity, then the provisions set out in this Condition 8.03 shall apply, and, in relation to such Equity, the other provisions of this Condition 8 shall be deemed to be amended and modified as set out in this Condition 8.03.

The definition of "Potential Adjustment Event" shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following:

(A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;

(B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);

(D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;

(E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer or Underlying Equity Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or

(H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.

If the Calculation Agent determines that:

(A) an event under (A) to (G) (inclusive) of the definition of "Potential Adjustment Event" has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or

(B) an event under (H) of the definition of "Potential Adjustment Event" has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of the terms of these Conditions and/or the relevant Issue Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of "Potential Adjustment Event", such economic effect on the Notes, as the case may be, (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity), following the Potential Adjustment Event. The Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result it shall notify the Issuer and the Holders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem all of the Notes upon prior notice made to the Holders, and the Issuer will cause to be paid to

each Holder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

The definitions of "**Merger Event**" and "**Tender Offer**" shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Equity, then, where the Calculation Agent makes an adjustment to these Conditions and/or the relevant Issue Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

The definitions of "**Nationalisation**", "**Insolvency**" and "**De-listing**" shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Issue Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities therein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

If the Calculation Agent determines that a De-listing of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be terminated), then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it in accordance with the DR Substitution Criteria or the Underlying Equities and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Issue Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

The definition of "**Insolvency Filing**" shall be amended in accordance with the DR Amendment.

The definition of "**Change in Law**" shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 8.03 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

Full Lookthrough Depositary Receipt Provisions

8.04 Where the applicable Issue Terms specify that the "Full Lookthrough Depositary Receipt Provisions" shall apply to an Equity, then the provisions set out in this Condition 8.04 shall apply, and, in relation to such Equity, the other provisions of this Condition 8 shall be deemed to be amended and modified as set out in this Condition 8.04.

The definition of "Potential Adjustment Event" shall be amended so that it reads as follows:

"**Potential Adjustment Event**" means any of the following:

(A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;

(B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);

(D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;

(E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer or Underlying Equity Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;

(G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or

(H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.

If the Calculation Agent determines that:

(A) an event under (A) to (G) (inclusive) of the definition of "Potential Adjustment Event" has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or

(B) an event under (H) of the definition of "Potential Adjustment Event" has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes;

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of any terms of these Conditions and/or the relevant Issue Terms as the Calculation Agent determines appropriate to account for (x) in respect of an event under (A) to (G) (inclusive) of the definition of "Potential Adjustment Event", the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of "Potential Adjustment Event", such economic effect on the Notes, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) following the Potential Adjustment Event. The Calculation Agent shall (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem all of the Notes upon prior notice made to the Holders, and the Issuer will cause to be paid to each Holder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

The definitions of "**Merger Event**" and "**Tender Offer**" shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Equity, then, where the Calculation Agent makes an adjustment to these Conditions and/or the relevant Issue Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

The definitions of "**Nationalisation**", "**Insolvency**" and "**De-listing**" shall be amended in accordance with the DR Amendment.

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Issue Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

If the Calculation Agent determines that a De-listing of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be terminated), then notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected in accordance with the DR Substitution Criteria or the Underlying Equities and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Issue Terms. In such case, the Issuer shall not redeem the Notes early, and following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

The definition of any Additional Disruption Event specified as applicable in the relevant Issue Terms shall be amended in accordance with the DR Amendment.

Each reference to the Exchange in the definitions of "**Exchange Business Day**", "**Scheduled Closing Time**", "**Scheduled Trading Day**", "**Market Disruption Event**" and "**Disrupted Day**" shall be deemed to include a reference to the primary exchange on which the Underlying Equities are traded, as determined by the Calculation Agent.

The definitions of "**Market Disruption Event**" and "**Related Exchange**" shall be amended in accordance with the DR Amendment. For the avoidance of doubt, where a provision is amended pursuant to this Condition 8.04 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

8.05 ***Definitions applicable to Equity Linked Notes***

"**Additional Disruption Event**" means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing, in each case if specified in the applicable Final Terms, or, in the case of an Exempt Note, any other Additional Disruption Event, if specified in the applicable Pricing Supplement.

"**Affiliate**" means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means the ownership of a majority of the voting power of the entity and "**controlled by**" and "**controls**" shall be construed accordingly.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Issue Terms provided that if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

(i) if 'Omission' is specified in the applicable Issue Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;

(ii) if 'Postponement' is specified in the applicable Issue Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Notes; or

(iii) if 'Modified Postponement' is specified in the applicable Issue Terms, then:

(A) where the Notes relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference

Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or

(B) where the Notes relate to a Basket of Equities and the applicable Issue Terms provide that "Common Disrupted Days" is not applicable, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Equity affected by the occurrence of a Disrupted Day (each an "**Affected Equity**") shall be the first succeeding Valid Date in relation to such Affected Equity. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Equity and (ii) the Calculation Agent shall determine the Reference Price of the Affected Equity for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; or

(C) where the Notes relate to a Basket of Equities and the applicable Issue Terms provide that "Common Disrupted Days" is applicable, the Averaging Date for each Equity shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the relevant Reference Price for each Equity for that Averaging Date in accordance with sub-paragraph (iii)(B)(x) or (y), as applicable of the definition of "Valuation Date" below; and

(D) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur, and "**Common Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day for any Equity comprised in the Basket of Equities and on which another Averaging Date does not or is deemed not to occur.

"**Basket of Equities**" means a basket composed of the Equities specified in the applicable Issue Terms in the relative Weightings or numbers of Equities specified in the applicable Issue Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Issue Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation

Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Equity or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

"**Closing Price**" means the official closing price of an Equity on the relevant Exchange.

"**De-listing**" means, in respect of any relevant Equities, the Exchange announces that pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or Global Select Market (or their respective successors) or (ii) an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

If the relevant Equities are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Equities.

"**Deposit Agreement**" means, in relation to the Equities, the agreements or other instruments constituting the Equities, as from time to time amended or supplemented in accordance with their terms.

"**Depositary**" means, where the relevant Issue Terms specifies that (a) the "Partial Lookthrough Depositary Receipt Provisions" shall apply to the Equity, the Equity Issuer or any successor issuer of the Equities from time to time or (b) the "Full Lookthrough Depositary Receipt Provisions" shall apply to an Equity or the Equity Issuer.

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**DR Amendment**" means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Issue Terms and Market Disruption Event, that the following changes shall be made to such definition or provision where provided for in Condition 8: (a) all references to "Equities" shall be deleted and replaced with the words "Equities and/or the Underlying Equities"; and (b) all references to "Equity Issuer" shall be deleted and replaced with the words "Equity Issuer or Underlying Equity Issuer, as appropriate".

"**DR Substitution Criteria**" means:

(a) (i) where the Notes relate to a Basket of Equities, the Replacement DR shall not be an Equity already comprised in the Basket of Equities or assets;

(ii) the relevant issuer of the Replacement DR belongs to the same broad economic sector as the issuer of the affected Equity;

(iii) the Replacement DR shall be of an issuer that is of a similar international standing, market capitalisation, exposure and creditworthiness as the issuer of the affected Equity, on the date immediately prior to the relevant Equity becoming an affected Equity, ignoring for this purpose the occurrence of the relevant Nationalisation, Insolvency or De-listing; and

(iv) the Replacement DR shall be of the same geographical zone as the issuer of the affected Equity,

all as determined by the Calculation Agent in its sole and absolute discretion; or

(b) in the case of Exempt Notes, such other criteria as specified in the applicable Pricing Supplement.

"**Equity**" means the share(s) or other securities specified in the applicable Issue Terms subject to adjustment in accordance with these Conditions.

"**Equity Issuer**" means, in respect of an Equity, the issuer of such Equity.

"**Equity Substitution Criteria**" means:

(a) (i) where the Notes relate to a Basket of Equities, the Substitute Equity shall be an equity which is not already comprised in the Basket of Equities or assets;

(ii) the relevant issuer of the Substitute Equity belongs to the same broad economic sector as the Issuer of the Affected Equity;

(iii) the Substitute Equity shall be of an issuer that is of a similar international standing, market capitalisation, exposure and creditworthiness as the Issuer of the Affected Equity, on the date immediately prior to the relevant Equity becoming an Affected Equity, ignoring for this purpose the occurrence of the relevant Potential Adjustment Event, Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing or Additional Disruption Event; and

(iv) the Substitute Equity shall be of the same geographical zone as the Issuer of the Affected Equity,

all as determined by the Calculation Agent in its sole and absolute discretion; or

(b) in the case of Exempt Notes, such other criteria as specified in the applicable Pricing Supplement.

"**Exchange**" means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the applicable Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Final Redemption Amount**" means:

(i) in the case of a Non-Exempt Note which is an Equity Linked Redemption Note, an amount calculated in accordance with the provisions of Condition 30;

(ii) in the case of an Exempt Note which is an Equity Linked Redemption Note, an amount calculated by the Calculation Agent equal to:

(a) if Call Option is specified as applicable in the applicable Pricing Supplement ("**Call Equity Linked Redemption Note**"):

$$\frac{\text{Reference Price}}{\text{Initial Price}} \times \text{Specified Denomination};$$

(b) if Put Option is specified as applicable in the applicable Pricing Supplement ("**Put Equity Linked Redemption Note**"):

$$\frac{\text{Reference Price}}{\text{Initial Price}} \times \text{Specified Denomination; or}$$

(c) such other amount specified in, or determined in the manner specified in, the applicable Pricing Supplement,

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded as provided in Condition 4.08.

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Entity**" means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to the Equity in respect of the Issuer's obligations under the Notes.

"**Increased Cost of Hedging**" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

"**Initial Price**" means the price specified as such in the applicable Issue Terms.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (a) all the Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.

"**Insolvency Filing**" means that the Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.

"**Intraday Price**" means the price of an Equity at any time during the regular trading session hours of the relevant Exchange, without regard to after hours trading or any other trading outside of the regular trading session hours.

"**Least Performer**" means, with respect to an Exchange Business Day during the Observation Period, the Equity in respect of which the following formula yields, in the determination of the Calculation Agent, the smallest positive number or the largest negative number, on such Exchange Business Day:

(Reference Price of the Equity on the Exchange Business Day minus the Initial Price with respect to such Equity) divided by the Initial Price with respect to such Equity,

provided that if the above formula yields the same number with respect to two or more Equities the Calculation Agent shall determine the Least Performer.

"**Market Disruption Event**" means, in respect of an Equity:

(i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:

(A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(x) relating to the Equity on the Exchange; or

(y) in futures or options contracts relating to the Equity on any relevant Related Exchange; or

(B) any event (other than as described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions, in or obtain market values for, the Equities on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Equity on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(ii) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or

(iii) in the case of an Exempt Note, any other event specified in the applicable Pricing Supplement.

"**Merger Date**" means, the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Equities, any (i) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person

(other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is (a) in the case of Cash Settled Notes, on or before the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Issue Terms, the final Averaging Date in respect of the relevant Notes or, (b) if the Notes are to be redeemed by Physical Delivery, the Maturity Date.

"**Nationalisation**" means that all the Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Observation Date(s)**" means each date specified as such in the applicable Issue Terms provided that, if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes relate to a single Equity, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Equity shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable in the case of Exempt Notes, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

(ii) where the Notes relate to a Basket of Equities and the applicable Issue Terms provide that "Common Disrupted Days" is not applicable, the Observation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Equity affected by the occurrence of a Disrupted Day (each an "**Affected Equity**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day for such Equity shall be deemed to be the Observation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable in the case of Exempt Notes, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-

Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

(iii) where the Notes relate to a Basket of Equities and the applicable Issue Terms provide that "Common Disrupted Days" is applicable, the Observation Date for each Equity shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to any Equity. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for each Equity (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Equities (each an "**Affected Equity**")); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Equity other than an Affected Equity its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Equity, its price as determined, in the case of Exempt Notes, in the manner set out in the applicable Pricing Supplement, or if not set out or if not practicable or in the case of Non-Exempt Notes, as its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

"**Observation Period**" means the period specified as such in the applicable Issue Terms.

"**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Equities of (i) such Equities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Equities, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;

(v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any

adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and

(vii) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities.

"**Principal Protected**" means an amount equal to 100 per cent. of the Calculation Amount. For the avoidance of doubt, the Principal Protection does not apply if the Notes are redeemed early or sold by an Investor prior to the Maturity Date.

"**Protection Amount**" means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Issue Terms, means that the Final Redemption Amount will, subject to the applicable Issue Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the Calculation Amount of such Note. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon, among others, the occurrence of an Early Redemption for Taxation Reasons, any event specified in Condition 8.02 or an Event of Default.

"**Reference Price**" means, in the case of an Exempt Note unless otherwise specified in the applicable Pricing Supplement, in respect of a Valuation Date, Observation Date or Averaging Date:

(i) where the Notes relate to a single Equity, an amount equal to the Specified Price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the price of the Equity at the Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 8. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

(ii) where the Notes relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the Specified Price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the price of the Equity as of the Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 8, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

"**Related Exchange**" means, in relation to an Equity, each exchange or quotation system specified as such in relation to such Equity in the applicable Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where 'All Exchanges' is specified as the Related Exchange in the applicable Issue Terms, 'Related Exchange' shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Equity.

"**Replacement DRs**" means depositary receipts other than the Equities over the same Underlying Equities.

"**Scheduled Averaging Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Observation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"**Scheduled Trading Day**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"**Specified Price**" means the Closing Price or the Intraday Price, as specified in the applicable Issue Terms.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than ten (10) per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Trade Date**" means the date specified as such in the applicable Issue Terms.

"**Underlying Equity**" means the share(s) or other securities which are the subject of the Deposit Agreement.

"**Underlying Equity Issuer**" means the issuer of the Underlying Equities.

"**Valuation Date**" means each date specified as such in the applicable Issue Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes relate to a single Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled

Trading Day for the Equity shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable in the case of Exempt Notes, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

(ii) where the Notes relate to a Basket of Equities and the applicable Issue Terms provide that "Common Disrupted Days" is not applicable, the Valuation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Equity affected by the occurrence of a Disrupted Day (each an "**Affected Equity**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (A) the eighth Scheduled Trading Day for the Affected Equity shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable in the case of Exempt Notes, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

(iii) where the Notes relate to a Basket of Equities and the applicable Issue Terms provide that "Common Disrupted Days" is applicable, the Valuation Date for each Equity shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Equity, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Equity. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Equity (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Equities (each an "**Affected Equity**")); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Equity other than an Affected Equity, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Equity, its price as determined, in the case of Exempt Notes, in the manner set out in the applicable Pricing Supplement, or if not set out or if not practicable or in the case of Non-Exempt Notes, as its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

"**Valuation Time**" means:

(i) the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Equity to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(ii) where the Specified Price is the Intraday Price, each relevant time at which the Reference Price is determined.

"**Weighting**" means the weight to be applied to each of the Equities comprising the Basket of Equities, as specified in the applicable Issue Terms.

9. Physical Delivery

If Physical Delivery is specified as applicable in the applicable Issue Terms, the provisions of this Condition 9 shall apply, as modified by, in the case of a Non-Exempt Note, Condition 30 and Condition 31 as completed by the applicable Final Terms or, in the case of an Exempt Note, the applicable Pricing Supplement. Conditions 9.01 and 9.02 shall not apply to Swiss Notes in the form of Intermediated Securities.

9.01 In order to obtain delivery of the Entitlement in respect of such Note:

(A) if such Note is represented by a Global Note, the relevant Holder must deliver or have delivered to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer, Issuing and Paying Agent and Delivery Agent, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice (as defined below); and

(B) if such Note is a Definitive Note, the relevant Holder must deliver to any Paying Agent, with a copy to the Issuing and Paying Agent, the Issuer and Delivery Agent, not later than the close of business in each place of receipt on the Cut-Off Date, a duly completed Asset Transfer Notice.

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Note is a Definitive Note, in writing or by tested telex.

If such Note is a Definitive Note, it must be delivered together with the duly completed Asset Transfer Notice.

9.02 An Asset Transfer Notice must:

(A) specify the name and address of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;

(B) in the case of Notes represented by a Global Note, specify the principal amount of Notes which are the subject of such notice and the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder's account with such Notes on or before the Delivery Date (as defined below);

(C) include an undertaking to pay all Expenses (as defined below) and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

(D) specify an account to which dividends (if any) or any other cash amounts payable by the Issuer are to be paid, including without limitation, any cash

amount constituting the Entitlement or any dividends relating to the Entitlement;

(E) certify that the beneficial owner of each Security is not a "U.S. Person" defined as any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; or (vii) any other "U.S. Person" as such term may be defined in Rule 902(k) of Regulation S under the Securities Act of 1933, as amended or in regulations adopted under the Commodity Exchange Act, as amended (a "**U.S. Person**"), the Security is not being redeemed within the United States or on behalf of a U.S. Person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. Person in connection with any redemption thereof; and

(F) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream, Luxembourg or a Paying Agent, as the case may be, as provided above. After delivery of Asset Transfer Notice, the relevant Holder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Holder is the holder of the specified principal amount of Notes according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and Issuing and Paying Agent and shall be conclusive and binding on the Issuer and the relevant Holder and, in the case of Definitive Notes, by the relevant Paying Agent, after consultation with the Issuer and Issuing and Paying Agent, and shall be conclusive and binding on the Issuer and the relevant Holder.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, as the case may be, or the relevant Paying Agent, in each case in consultation with the Issuing and Paying Agent and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

Euroclear, Clearstream, Luxembourg or the relevant Paying Agent, as applicable, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Issuing and Paying Agent and the Issuer, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents, Euroclear, Clearstream, Luxembourg or the Issuing and Paying Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

Delivery of the Entitlement in respect of each Note shall be made at the risk of the relevant Holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Holder in the relevant Asset Transfer Notice or, in the case of an Exempt Note, in such manner as is specified in the applicable Pricing Supplement on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the "**Delivery Date**"), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer and Issuing and Paying Agent, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Issue Terms.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer and Issuing and Paying Agent, not later than the close of business in each place of receipt on the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided above; provided that, if in respect of a Note, an Asset Transfer Notice is not delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuing and Paying Agent and the Issuer by the close of business in each place of receipt on the 180th calendar day following the Cut-Off Date, the Issuer's obligations in respect of such Note shall be discharged and no further liability in respect thereof shall attach to the Issuer. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

Delivery of the Entitlement – Intermediated Securities

9.02a Delivery of the Entitlement in respect of Swiss Notes in the form of Intermediated Securities will be made to the Holders on the due date for such delivery, subject to Condition 2.04 and in accordance with the rules and procedures applied by SIX SIS from time to time.

Delivery of the Entitlement – Swiss Definitive Notes

9.02b Delivery of the Entitlement in respect of Swiss Notes in definitive registered form will be made in accordance with the provisions of 9.01 and 9.02 relating to Definitive Notes which shall be read as if all references therein to "Paying Agent" or "Issuing and Paying Agent" are to the "Swiss Programme and Paying Agent".

Delivery of Entitlement – General Provisions

9.03 All Expenses arising from the delivery of the Entitlement in respect of such Notes shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

After delivery of the Entitlement and for such period of time after the Delivery Date as any person other than the relevant Holder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Calculation Agent, Issuing and Paying Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to the relevant Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being during such Intervening Period the legal owner of such securities or obligations.

Where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Holders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered the Holder will receive an amount in the Specified Currency ("**Cash Adjustment**") which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate) or, in the case of an Exempt Note, otherwise in the manner specified in the applicable Pricing Supplement. Payment will be made to the account specified by the Holder in the Asset Transfer Notice referred to in Condition 9.02 or otherwise in such manner as shall be notified to the Holders in accordance with Condition 23.

For the purposes of the Notes, where the Entitlement comprises an Equity or a Fund Share of an ETF (i) the Issuer shall be under no obligation to register or procure the registration of any Holder or any other person as the registered shareholder in the register of members or shareholders register of any Equity Issuer or ETF, and (ii) any interest, dividend or other distribution in respect of any Entitlement will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Equity or Fund Share executed on the Delivery Date and to be delivered in the same manner as the Entitlement. Any such interest, dividend or other distribution to be paid to a Holder shall be paid to the account specified in the relevant Asset Transfer Notice.

9.04 Settlement Disruption Event

If, prior to the delivery of the Entitlement in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event and notice thereof shall be given to the relevant Holder, in accordance with Condition 23. Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Entitlement pursuant to this Condition.

Where delivery of the Entitlement has been postponed as provided in this Condition the Issuer shall not be in breach of these Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Entitlement in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of

such election substantially in the form set out in the Issue and Paying Agency Agreement (the "**Election Notice**") is given to the Holders in accordance with Condition 23. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 23.

9.05 If "**Failure to Deliver due to Illiquidity**" is specified as applicable in the Issue Terms and if, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Entitlement (the "**Affected Relevant Assets**") due to illiquidity in the market for the Relevant Assets (a "**Failure to Deliver**"), then:

(A) subject as provided elsewhere in these Conditions and/or the applicable Issue Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered pro rata on the originally designated Delivery Date in accordance with this Condition 9; and

(B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Holders in accordance with Condition 23. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 23. The Issuer shall give notice (such notice a "**Failure to Deliver Notice**") as soon as reasonably practicable to the Holders in accordance with Condition 23 that the provisions of this Condition 9.05 apply.

Option to Vary Settlement

9.06 If the applicable Pricing Supplement indicate that the Issuer has the option to vary settlement in respect of the Notes, the Issuer may in its sole and unfettered discretion in respect of each such Note, elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Final Redemption Amount on the Maturity Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 23.

Definitions

9.07 For the purposes of this Condition 9:

"**Asset Transfer Notice**" means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

"**Cut-Off Date**" has the meaning given to it in the applicable Issue Terms.

"**Delivery Agent**" has the meaning given to it in the applicable Issue Terms.

"**Disruption Cash Settlement Price**" means, in respect of each principal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note and paid pursuant to Conditions 5 and 19) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Hedging Entity of unwinding or adjusting any related hedging

arrangements in respect of the Note, all as calculated by the Calculation Agent in its sole and absolute discretion.

"**Entitlement**" means the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which the Holder is entitled to receive on the Maturity Date following payment of the Expenses, as determined by the Calculation Agent as set out in Condition 30, in the case of a Non-Exempt Note, or the applicable Pricing Supplement, in the case of an Exempt Note, in each case including any documents evidencing such Entitlement.

"**Expenses**" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Entitlement.

"**Failure to Deliver Settlement Price**" means, in respect of each principal amount of the Notes equal to the Calculation Agent, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Hedging Entity of unwinding or adjusting any related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.

"**Relevant Assets**" means the assets specified as such in the applicable Issue Terms.

"**Settlement Business Day**" has the meaning ascribed to it in (a) in the case of a Non-Exempt Note, Condition 30 or (b) in the case of an Exempt Note, the applicable Pricing Supplement.

"**Settlement Disruption Event**" means an event beyond the control of the Issuer (including but not limited to non-delivery of the Entitlement by a counterparty to an agreement entered into by the Hedging Entity to hedge the Notes) as a result of which, in the opinion of the Calculation Agent, delivery of the Entitlement by or on behalf of the Issuer in accordance with these Conditions and/or the applicable Issue Terms is not practicable.

10. Fund Linked Notes

10.01 If the Notes are specified as Fund Linked Notes in the applicable Issue Terms, the provisions of Condition 11 shall apply if the fund(s) are not ETFs (as defined in Condition 12.09) and the provisions of Condition 12 shall apply if the fund(s) are ETFs.

11. Provisions relating to Funds other than Exchange Traded Funds

Redemption of Fund Linked Redemption Notes

11.01 Unless previously redeemed or purchased and cancelled, each principal amount of the Fund Linked Redemption Notes equal to the Calculation Amount set out in the applicable Issue Terms will be redeemed by the Issuer on the Maturity Date (A) in the case of an Exempt Note, if Cash Settlement is specified in the applicable Pricing Supplement, at the Final Redemption Amount specified in or determined in the manner specified in, the applicable Pricing Supplement or (B) if Physical Delivery is specified in the applicable Issue Terms, by delivery of the Entitlement, in the case of a Non-Exempt Note, determined in the manner specified in Condition 30 or, in the case of an Exempt Note, specified in, or determined in the manner specified in, the applicable Pricing Supplement (subject as provided below).

Consequences of Fund Events

11.02 "**Fund Event**" means the occurrence of each of an Additional Fund Disruption Event, a Fund Disruption Event and/or a Fund Extraordinary Event as determined by the Calculation Agent.

(i) "**Additional Fund Disruption Event**" means each of Change in Law, Fund Hedging Disruption or Increased Cost of Hedging.

"**Change in Law**" means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Hedging Entity determines in good faith that (x) it has become illegal to hold, acquire or dispose of any Fund Interests, or (y) the Issuer will incur a materially increased cost in performing its obligations under the Fund Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Fund Hedging Disruption**" means that the Hedging Entity is unable, or it is impractical for the Hedging Entity, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (x) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (y) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

"**Increased Cost of Hedging**" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

(ii) "**Fund Disruption Event**" means at any time the occurrence or continuance of any of the following events, as determined by the Calculation Agent in its sole and absolute discretion, if the Calculation Agent determines that such event is material:

(a) Fund Valuation Disruption: "**Fund Valuation Disruption**" means (x) the failure of a Scheduled Fund Redemption Valuation Date in respect of a Fund Interest to be a Fund Redemption Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Redemption Valuation Date, or (y) the failure of a Scheduled Fund Valuation Date in respect of a Fund Interest to be a

Fund Valuation Date in respect of such Fund Interest or any continued postponement of such Fund Valuation Date;

(b) Fund Settlement Disruption: "**Fund Settlement Disruption**" means a failure by a Fund on any day to pay the full amount (whether expressed as a percentage or otherwise) of any fund redemption proceeds with respect to any Fund Interest scheduled to have been paid on or by such day according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests).

(c) "**Fund Extraordinary Event**" means each of the following events:

(A) Nationalisation: "**Nationalisation**" means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

(B) Insolvency: "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;

(C) Fund Insolvency Event: "**Fund Insolvency Event**" means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2)

is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

(D) NAV Trigger Event: "**NAV Trigger Event**" means that (x) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than the NAV Trigger since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

(E) Adviser Resignation Event: "**Adviser Resignation Event**" means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;

(F) Fund Modification: "**Fund Modification**" means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;

(G) Strategy Breach: "**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the

Calculation Agent, results in a material deterioration of the risk profile of that Fund;

(H) Regulatory Action: "**Regulatory Action**" means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;

(I) Reporting Disruption: "**Reporting Disruption**" means (x) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be or any other Reporting Disruption Period specified in the applicable Issue Terms; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Funds or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

(J) Fund Service Provider Cessation: "**Fund Service Provider Cessation**" means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not

immediately replaced by another service provider acceptable to the Calculation Agent;

(K) Fund Administrator Disruption: "**Fund Administrator Disruption**" means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or

(L) Related Agreement Termination: "**Related Agreement Termination**" means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

11.03 Following the occurrence of a Fund Event, the Issuer may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to make such determinations and/or adjustments to the Conditions and/or the applicable Issue Terms as it determines in its sole and absolute discretion appropriate to account for the Fund Event, which may include, without limitation:

(a) delaying any calculation, determination or related payment date under the Notes until it determines that no Fund Event exists;

(b) calculating the value of the relevant Fund Interest(s) and/or replacing the relevant Fund Interest(s) (the "**Affected Fund Interest**") with one or more replacement fund interests (each a "**Replacement Fund Interest**") with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or

(ii) on giving notice to the Holders in accordance with Condition 23, redeem all (but not some only) of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at its Early Redemption Amount.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest.

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 23 giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

Fund Potential Adjustment Events

11.04 "**Fund Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

(v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

11.05 Following the declaration by a Fund of the terms of any Fund Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Fund Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Fund Interest and, if so, will make the corresponding adjustment, if any, to any one or more of any of the terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion, determines appropriate to account for that diluting, concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and determine the effective date of that adjustment.

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 23, stating the adjustment to any of the terms of the Conditions, and/or the applicable Issue Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

11.06 Definitions (Funds other than Exchange Traded Funds)

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means the ownership of a majority of the voting power of the entity and "**controlled by**" and "**controls**" shall be construed accordingly.

"**Averaging Date**" means, in respect of an Actual Exercise Date or Redemption Date, as the case may be, each date specified as an Averaging Date in the applicable Pricing Supplement.

"**Basket of Funds**" means a basket composed of the Funds specified in the applicable Issue Terms in the relative Weightings of Funds or numbers of Funds specified in the applicable Issue Terms.

"**Fund**" means, subject to adjustment in accordance with these Conditions, each fund specified in the applicable Issue Terms and related expressions shall be construed accordingly.

"**Fund Administrator**" means the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for a Fund according to the relevant Fund Documents.

"**Fund Adviser**" means any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser).

"**Fund Documents**" means the constitutive and governing documents, subscription agreements and other agreements of a Fund specifying the terms and conditions relating to the related Fund Interest, as amended from time to time.

"**Fund Interest**" means, subject to adjustment in accordance with these Conditions, each fund interest specified in the applicable Issue Terms and related expressions shall be construed accordingly.

"**Fund Redemption Valuation Date**" means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

"**Fund Service Provider**" means any person who is appointed to provide services, directly or indirectly, to a Fund, whether or not specified in the relevant Fund Documents, including without limitation any Fund Administrator, Fund Adviser, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent or domiciliary agent.

"**Fund Valuation Date**" means a date as of which a Fund (or its Fund Service Provider that generally determines such value) determines the value of the related Fund Interest.

"**Hedging Entity**" means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to the Fund Interest in respect of the Issuer's obligations under the Notes.

"**Hypothetical Investor**" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation).

"**Initial Price**" means the price specified as such in the applicable Issue Terms.

"**NAV Trigger**" means the percentage specified as such in the applicable Issue Terms.

"**Removal Date**" means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest effected as soon as reasonably practicable following the occurrence of the relevant Fund Event.

"**Removal Value**" means, in respect of an Affected Fund Interest, the amount that the Calculation Agent determines a Hypothetical Investor would receive on the redemption or realisation of such Affected Fund Interest at the relevant time, provided that if any such redemption proceeds would comprise non-monetary assets the Removal Value shall include the amount (if any) that the Calculation Agent determines would be received by the Hypothetical Investor in respect of a realisation (in whatsoever manner the Calculation Agent determines appropriate) of such non-monetary assets as soon as reasonably practicable after their receipt.

"**Reporting Disruption Period**" means the period specified as such in the applicable Issue Terms.

"**Scheduled Fund Redemption Valuation Date**" means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

"**Scheduled Fund Valuation Date**" means, in respect of a Fund Interest, a date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the value of the related Fund Interest or, if the Fund only reports its aggregate net asset value, the date as of which such Fund is scheduled to determine its aggregate net asset value.

"**Valuation Date**" means each Valuation Date specified in the applicable Pricing Supplement.

"**Valuation Time**" means the time specified in the applicable Pricing Supplement.

"**Weighting**" means the weight to be applied to each of the Funds comprising the Basket of Funds, as specified in the applicable Issue Terms.

12. Provisions relating to Exchange Traded Funds

12.01 Redemption of ETF Linked Notes

Unless previously redeemed or purchased and cancelled, each principal amount of ETF Linked Redemption Notes equal to the Calculation Amount set out in the applicable Issue Terms will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the applicable Issue Terms, by payment of the Final Redemption Amount specified in the applicable Final Terms (unless otherwise specified in Condition 30 in the case of a Non-Exempt Note) or, in the case of an Exempt Note, determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date or (B) if Physical Delivery is specified in the applicable Issue Terms, by delivery of the Entitlement, in the case of a Non-Exempt Note, determined in the manner specified in Condition 30 or, in the case of an Exempt Note, specified in, or determined in accordance with the manner specified in,

the applicable Pricing Supplement (subject as provided below) on the Maturity Date or (C) in the case of an Exempt Note, if Cash Settlement and/or Physical Delivery is specified in the applicable Pricing Supplement, by payment of the Final Redemption Amount and/or by delivery of the Entitlement on the terms set out in the applicable Pricing Supplement, in each case on the Maturity Date (subject as provided below).

12.02 "**Market Disruption Event**" means, in respect of a Fund Share:

(a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:

(i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:

(A) relating to the relevant Fund Share on such Exchange; or

(B) relating to securities that comprise 20 percent. or more of the level of the relevant Underlying Index or any relevant successor index; or

(C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or

(ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 percent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(b) the closure on any Exchange Business Day of any relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

12.03 For the purpose of determining whether a Market Disruption Event exists in respect of a Fund Share at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the relevant Underlying Index at that time, then the relevant percentage contribution of that security to the level of the relevant Underlying Index shall be based on a comparison of (i) the portion of the level of the relevant Underlying Index attributable to that security, and (ii) the overall level of the relevant Underlying Index immediately before the occurrence of such Market Disruption Event.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

Potential Adjustment Event

12.04 "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (A) such Fund Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

(iii) an extraordinary dividend as determined by the Calculation Agent;

(iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;

(v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the terms of the Conditions and/or the applicable Issue Terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date(s) of that adjustment(s). The Calculation Agent may, but need not, determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Fund Shares traded on such options exchange.

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with Condition 23 stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

De-listing, Insolvency, Material Underlying Event, Merger Date, Merger Event, Nationalisation, Tender Offer

12.05 "**De-listing**" means, in respect of any relevant Fund Share, the Exchange announces that pursuant to the rules of such Exchange, such Fund Share ceases (or will cease) to be listed, traded or publicly quoted on such Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market or Global Select Market (or their respective successors) or (ii) an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

If the relevant Fund Shares are immediately re-listed, re-traded or re-quoted on any exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange in respect of such Fund Shares.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (i) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

"**Material Underlying Event**" means any of the following:

(i) the investment objectives and/or policies in respect of the ETF are materially changed;

(ii) an illegality occurs or a relevant authorisation or licence is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;

(iii) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Hedging Entity in connection with hedging arrangements relating to the Notes are materially reduced or otherwise adversely affected; and/or

(iv) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the Notes or to the Hedging Entity in connection with any hedging arrangements relating to the Notes,

as determined by the Calculation Agent.

"**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"**Merger Event**" means, in respect of any relevant Fund Shares, any (i) reclassification or change of such Fund Shares that results in a transfer of or an irrevocable commitment to transfer all of such Fund Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the ETF with or into another entity or

person (other than a consolidation, amalgamation, merger or binding share exchange in which such ETF is the continuing entity and which does not result in any such reclassification or change of all such Fund Shares outstanding) or (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Shares of the relevant ETF that results in a transfer of or an irrevocable commitment to transfer all such Fund Shares (other than such Fund Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the ETF or its subsidiaries with or into another entity in which the ETF is the continuing entity and which does not result in a reclassification or change of all such Fund Shares outstanding but results in the outstanding Fund Shares (other than Fund Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the Valuation Date (or such other date as is specified in the applicable Issue Terms).

"**Nationalisation**" means that all the Fund Shares or all or substantially all the assets of an ETF are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding shares, units or interests of the relevant ETF, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which shares, units or interests in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

12.06 If a De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event occurs in relation to any Fund Share, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

(i) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Conditions and/or the applicable Issue Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange; or

(ii) redeem all (but not some only) of the Notes by giving notice to Holders in accordance with Condition 23, each principal amount of such Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 stating the occurrence of the Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation

thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

12.07 Correction of the Reference Price

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Fund Share would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, or the Specified Interest Payment Date, as the case may be, to make such adjustment prior to such relevant date.

Additional Disruption Events

12.08 (a) "**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Insolvency Filing and/or Increased Cost of Hedging, in each case if specified in the applicable Issue Terms.

"**Change in Law**" means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any relevant Fund Share or (B) the Issuer will incur a materially increased cost in performing its obligations in relation to the Fund Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or the Hedging Entity).

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Entity**" means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to the Fund Shares in respect of the Issuer's obligations under the Notes.

"**Increased Cost of Hedging**" means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

"**Insolvency Filing**" means that the ETF institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the ETF shall not be deemed an Insolvency Filing.

(b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the Conditions and/or the applicable Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) redeem all (but not some only) of the Notes by giving notice to the Holders in accordance with Condition 23, each principal amount of Notes equal to the Calculation Amount being redeemed at its Early Redemption Amount.

(c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

12.09 Definitions (Exchange Traded Funds)

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means the ownership of a majority of the shares, units or interests of the entity and "**controlled by**" and "**controls**" shall be construed accordingly.

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Issue Terms provided that if such date is not a Scheduled Trading Day, the Averaging Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If any Averaging Date is a Disrupted Day, then:

(i) if 'Omission' is specified in the applicable Issue Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;

(ii) if 'Postponement' is specified in the applicable Issue Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked Notes; or

(iii) if 'Modified Postponement' is specified in the applicable Issue Terms, then:

(A) where the Notes relate to a single Fund Share, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or

(B) where the Notes relate to a Basket of Fund Shares and the applicable Issue Terms provide that "Common Disrupted Days" is not applicable, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Fund Share affected by the occurrence of a Disrupted Day (each an "**Affected Fund Share**") shall be the first succeeding Valid Date in relation to such Affected Fund Share. If the first succeeding Valid Date in relation to such Affected Fund Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Fund Share and (ii) the Calculation Agent shall determine the Reference Price of the Affected Fund Share for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; or

(C) where the Notes relate to a Basket of Fund Shares and the applicable Issue Terms provide that "Common Disrupted Days" is applicable, the Averaging Date for each Fund Share shall be the first succeeding Common Valid Date. If the first succeeding Common Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the relevant Reference Price for each Fund Share for that Averaging Date in accordance with sub-paragraph (iii)(B)(x) or (y), as applicable of the definition of "Valuation Date" below; and

(D) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of

the relevant Valuation Date does not or is not deemed to occur, and "**Common Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day for any Fund Share comprised in the Basket of Fund Shares and on which another Averaging Date does not or is deemed not to occur.

"**Basket of Fund Shares**" means a basket composed of the Fund Shares specified in the applicable Issue Terms in the relative Weightings or numbers of Fund Shares specified in the applicable Issue Terms.

"**Closing Price**" means the official closing price of the Fund Share on the relevant Exchange.

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**ETF**" means any Fund which is an exchange traded fund as specified in the applicable Issue Terms, or if not so specified, any Fund which the Calculation Agent determines to be an exchange traded fund.

"**Exchange**" means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

"**Exchange Business Day**" means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Fund Share**" means a share of each ETF, and references to "holder of Fund Shares" and "Fund Shareholder" shall be construed accordingly.

"**Hedging Entity**" means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to a Fund Share in respect of the Issuer's obligations under the Notes.

"**Initial Price**" means the price specified as such in the applicable Issue Terms.

"**Intraday Price**" means the price of a Fund Share observed by the Calculation Agent at any time during the regular trading session hours of the relevant Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

"**Observation Date(s)**" means each date specified as such in the applicable Issue Terms provided that, if such date is not a Scheduled Trading Day, the Observation Date shall be the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes relate to a single Fund Share, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable in the case of Exempt Notes, determine the Reference Price in the manner set out in the applicable

Pricing Supplement or, if not set out or not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

(ii) where the Notes relate to a Basket of Fund Shares and the applicable Issue Terms provide that "Common Disrupted Days" is not applicable, the Observation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Fund Share affected by the occurrence of a Disrupted Day (each an "**Affected Fund Share**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Fund Share. In that case, (i) the eighth Scheduled Trading Day for such Fund Share shall be deemed to be the Observation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable in the case of Exempt Notes, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

(iii) where the Notes relate to a Basket of Fund Shares and the applicable Issue Terms provide that "Common Disrupted Days" is applicable, the Observation Date for each Fund Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to any Fund Share. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an "**Affected Fund Share**")); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined, in the case of Exempt Notes, in the manner set out in the applicable Pricing Supplement, or if not set out or if not practicable or in the case of Non-Exempt Notes, as its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

"**Observation Period**" means the period specified as such in the applicable Issue Terms.

"**Reference Price**" means, in the case of an Exempt Note unless otherwise specified in the applicable Pricing Supplement, in respect of a Valuation Date, Observation Date or Averaging Date:

(i) where the Notes relate to a single Fund Share, an amount equal to the Specified Price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or, as the case may be, price at the Valuation Time

on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the value of the Fund Share at the Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 12. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

(ii) where the Notes relate to a Basket of Fund Shares, an amount equal to the sum of the values calculated for each Fund Share as the Specified Price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the value of the Fund Share at the Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 12, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

"**Related Exchange**" means, in relation to a Fund Share, each exchange or principal trading market specified as such for such Fund Share in the applicable Issue Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such Fund Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Fund Shares on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however, that where "All Exchanges" is specified as the Related Exchange in the applicable Issue Terms, "Related Exchange" shall mean each exchange or principal trading market where trading has a material effect (as determined by the Calculation Agent) on the overall market for such Fund Shares.

"**Scheduled Averaging Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Averaging Date.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Observation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"**Scheduled Trading Day**" means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Specified Price**" means the Closing Price or the Intraday Price, as specified in the applicable Issue Terms.

"**Trade Date**" means the date specified as such in the applicable Issue Terms.

"**Underlying Index**" means the underlying index specified in the applicable Issue Terms.

"**Valuation Date**" means each date specified as such in the applicable Issue Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(i) where the Notes relate to a single Fund Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable in the case of Exempt Notes, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

(ii) where the Notes relate to a Basket of Fund Shares and the applicable Issue Terms provide that "Common Disrupted Days" is not applicable, the Valuation Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Share affected by the occurrence of a Disrupted Day (each an "**Affected Fund Share**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Fund Share unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Fund Share. In that case, (A) the eighth Scheduled Trading Day for the Affected Fund Share shall be deemed to be the Valuation Date for the Affected Fund Share, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable in the case of Exempt Notes, determine the Reference Price using, in relation to the Affected Fund Share, a price determined, in the case of Exempt Notes, in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt Notes, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

(iii) where the Notes relate to a Basket of Fund Shares and the applicable Issue Terms provide that "Common Disrupted Days" is applicable, the Valuation Date for each Fund Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day for any Fund Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to any Fund Share. In that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an "**Affected Fund Share**")); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined, in the case of

Exempt Notes, in the manner set out in the applicable Pricing Supplement, or if not set out or if not practicable or in the case of Non-Exempt Notes, as its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

"**Valuation Time**" means:

(i) the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date in relation to each Fund Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or

(ii) where the Specified Price is the Intraday Price, each relevant time at which the Reference Price is determined.

"**Weighting**" means the weight to be applied to each of the Fund Shares comprising the Basket of Fund Shares, as specified in the applicable Issue Terms.

13. Commodity Linked Notes

If the Notes are specified as Commodity Linked Interest Notes and/or Commodity Linked Redemption Notes in the applicable Issue Terms, then the provisions of this Condition 13 shall apply.

13.01 *Redemption of Commodity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each principal amount of Commodity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Issue Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in the applicable Final Terms (unless otherwise specified in Condition 30 in the case of a Non-Exempt Note) or, in the case of an Exempt Note, determined in the manner specified in, the applicable Pricing Supplement.

13.02 *Market Disruption Event and Disruption Fallback*

If, in the opinion of the Calculation Agent, a Market Disruption Event (as defined below) has occurred and is continuing on the Pricing Date (or, if different, the day on which the price for the Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Price (or method for determining the Relevant Price) for the Pricing Date will be determined by the Calculation Agent in accordance with the first applicable Disruption Fallback (as set out below) that provides a Relevant Price:

(a) Market Disruption Event

"**Market Disruption Event**" means the occurrence of any of the following events:

(i) with respect to all Commodities:

(A) Price Source Disruption;

(B) Commodity Trading Disruption;

(C) Disappearance of Commodity Reference Price; and

(D) in the case of an Exempt Note, any additional Market Disruption Events specified in the applicable Pricing Supplement; and

(ii) with respect to all Commodities other than gold, silver, platinum or palladium:

(A) Material Change in Formula;

(B) Material Change in Content; and

(C) in the case of an Exempt Note, any additional Market Disruption Events specified in the applicable Pricing Supplement; and

(iii) with respect to a Commodity Index:

(A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price (provided that the Calculation Agent may, in its sole and absolute discretion, determine that such failure shall not be a Market Disruption Event and (i) shall fall within paragraph (i) of the proviso to the definition of Price Source in Condition 13.07, or (ii) shall be an Index Adjustment Event in respect of such Commodity Index) or (y) the closing price for any futures contract included in the Commodity Index;

(B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or

(C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

(iv) Disruption Fallback

"**Disruption Fallback**" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the Notes. A Disruption Fallback is applicable if it is specified in the applicable Issue Terms or, if no Disruption Fallback is specified in the applicable Issue Terms, shall mean:

(A) with respect to a relevant Commodity (in the following order):

I. Fallback Reference Price (if applicable);

II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would

otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days; and

III. Calculation Agent Determination;

(B) with respect to a Commodity Index the Calculation Agent shall determine the Relevant Price:

(a) using:

(i) with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event, the closing prices of each such contract on the applicable determination date; and

(ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract; or

(b) in the case of an Exempt Note, as specified in the applicable Pricing Supplement.

Subject as provided below, the Calculation Agent shall determine the Relevant Price by reference to the closing prices determined in (a)(i) and (a)(ii) above or as provided in (b) above using the then current method for calculating the Commodity Reference Price.

Where a Market Disruption Event with respect to one or more futures contracts included in the Commodity Index has occurred on an applicable determination date and continues to exist as of the relevant Commodity Index Cut-Off Date for such applicable determination date, the Calculation Agent shall determine the Relevant Price on such Commodity Index Cut-Off Date. In calculating the Relevant Price as set out herein, the Calculation Agent shall use the formula for calculating the Commodity Reference Price last in effect prior to the Market Disruption Event.

13.03 ***Adjustments to a Commodity Index***

(a) Successor Index Sponsor Calculates and Reports a Commodity Index

If a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Issuer, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that

Commodity Index, then in each case that index (the "**Successor Index**") will be deemed to be the Commodity Index.

(b) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as "**Index Adjustment Events**") (provided that the Calculation Agent may, in its sole and absolute discretion, determine that event (iii) shall not be an Index Adjustment Event but (y) shall fall within paragraph (i) of the proviso to the definition of Price Source specified in Condition 13.07, or (z) shall be a Market Disruption Event in respect of such Commodity Index) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

13.04 ***Correction to Published Prices***

For purposes of determining or calculating the Relevant Price, if the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement (or, if earlier, the day falling two Commodity Business Days preceding the date on which payment of any amount or delivery of any amount of assets to be calculated by reference to such Relevant Price), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

13.05 ***Common Pricing***

If with respect to Commodity Linked Notes relating to a Basket of Commodities, "Common Pricing" is specified in the applicable Issue Terms as:

(i) "Applicable" then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined on the Trade Date of the Securities; or

(ii) "Not Applicable" then, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any relevant Commodity and/or Commodity Index (each an "**Affected Commodity**"), the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its

scheduled Pricing Date and the Relevant Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Price.

All determinations made by the Calculation Agent pursuant to this condition will be conclusive and binding on the Holders and the Issuer, except in the case of manifest error.

13.06 ***Commodity Reference Prices***

Subject to this Condition 13, for purposes of determining the Relevant Price for a Commodity or Commodity Index:

Agricultural products:

(a) Cocoa

"**COCOA-NYBOT**" means that the price for a Pricing Date will be that day's Specified Price per metric ton of deliverable grade cocoa beans on NYBOT of the First Nearby Month Cocoa Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Cocoa Futures Contract stated in U.S. Dollars, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(b) Coffee

"**COFFEE ARABICA-NYBOT**" means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade washed arabica coffee on NYBOT of the First Nearby Month Coffee Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Coffee Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(c) Corn

"**CORN NO. 2 YELLOW-CBOT**" means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade corn on CBOT of the First Nearby Month Corn Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Corn Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

(d) Cotton

"**COTTON NO. 2-NYBOT**" means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade cotton No. 2 on NYBOT of the First Nearby Month Cotton Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Cotton Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(e) Livestock

(i) "**LEAN HOGS-CME**" means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade lean value hog carcasses on

CME of the First Nearby Month Lean Hogs Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Lean Hogs Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(ii) "**LIVE CATTLE-CME**" means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade live steers on CME of the First Nearby Month Live Cattle Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Live Cattle Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(f) Soybeans

"**SOYBEANS-CBOT**" means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade soybeans on CBOT of the First Nearby Month Soybeans Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Soybeans Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

(g) Sugar

"**SUGAR # 11 (WORLD)-NYBOT**" means that the price for a Pricing Date will be that day's Specified Price per pound of deliverable grade cane sugar on NYBOT of the First Nearby Month Sugar Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Sugar Futures Contract, stated in U.S. cents, as made public by NYBOT and displayed on the Price Source on that Pricing Date.

(h) Wheat

"**WHEAT-CBOT**" means that the price for a Pricing Date will be that day's Specified Price per bushel of deliverable grade wheat on CBOT of the First Nearby Month Wheat Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Wheat Futures Contract, stated in U.S. cents, as made public by CBOT and displayed on the Price Source on that Pricing Date.

Oil and Energy

(a) **Natural Gas (Henry Hub)**

"**NATURAL GAS-HENRY HUB-NYMEX**" means that the price for a Pricing Date will be that day's Specified Price per MMBTU of deliverable grade natural gas on NYMEX of the First Nearby Month Henry Hub Natural Gas Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(b) **Oil (WTI)**

"**OIL-WTI-NYMEX**" means that the price for a Pricing Date will be that day's Specified Price per barrel of deliverable grade West Texas Intermediate light sweet crude oil on NYMEX of the First Nearby Month WTI Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(c) **Oil (Brent)**

"**OIL-BRENT-IPE**" means that the price for a Pricing Date will be that day's Specified Price per metric barrel of deliverable grade Brent blend crude oil on ICE of the First Nearby Month Brent Futures Contract stated in U.S. Dollars as made public by ICE and displayed on the relevant Price Source on that Pricing Date.

(d) **Gasoline**

"GASOLINE-RBOB-NYMEX" means that the price for a Pricing Date will be that day's Specified Price per gallon of deliverable grade New York Harbor unleaded gasoline on the NYMEX of the First Nearby month Gasoline Futures Contract stated in U.S. Dollars as made public by the NYMEX and displayed on the relevant Price Source on that Pricing Date.

Precious Metals:

(a) Gold

"**GOLD-P.M. FIX**" means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on the relevant Price Source on that Pricing Date.

(b) Platinum

"**PLATINUM-P.M. FIX**" means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of LPPM authorized to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

(c) Silver

"**SILVER-FIX**" means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on the relevant Price Source on that Pricing Date.

(d) Palladium

"**PALLADIUM-P.M. FIX**" means that the price for a Pricing Date will be that day's afternoon Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

Base Metals

(a) Aluminium

"**ALUMINIUM-LME CASH**" means that the price for a Pricing Date will be that day's Specified Price per tonne of High Grade Primary Aluminium on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(b) Copper

"**COPPER-LME CASH**" means that the price for a Pricing Date will be that day's Specified Price per tonne of Copper Grade A on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(c) Lead

"**LEAD-LME CASH**" means that the price for a Pricing Date will be that day's Specified Price per tonne of Standard Lead on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(d) Nickel

"**NICKEL-LME CASH**" means that the price for a Pricing Date will be that day's Specified Price per tonne of Primary Nickel on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(e) Zinc

"**ZINC-LME CASH**" means that the price for a Pricing Date will be that day's Specified Price per tonne of Special High Grade Zinc on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

13.07 *Definitions*

"**Basket of Commodities**" means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Issue Terms.

"**Bloomberg Screen**" means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

"**Calculation Agent Determination**" means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

"**CBOT**" means the Chicago Board of Trade or its successor.

"**CME**" means the Chicago Mercantile Exchange or its successor.

"**COMEX**" means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

"**Commodity**" and "**Commodities**" means subject to adjustment in accordance with these Conditions, in the case of an issue of Commodity Linked Notes relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked Notes relating to a single commodity, the commodity, in each case specified in the applicable Issue Terms and related expressions shall be construed accordingly.

"**Commodity Business Day**" means, in respect of each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such relevant Exchange closing prior to its scheduled closing time.

"**Commodity Index**" means, subject to adjustment in accordance with these Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Issue Terms.

"**Commodity Index Cut-Off Date**" means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) the date specified in the applicable Issue Terms, or if not so specified, the day falling two Business Days immediately preceding the date of payment of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall(unless otherwise provided in the applicable Issue Terms).

"**Commodity Reference Price**" means (i) in respect of all Commodities, the Commodity Reference Price specified in the applicable Issue Terms and (ii) in respect of a Commodity Index, the Commodity Reference Price specified in the applicable Issue Terms or, if not so specified, the official closing price or level of such Commodity Index.

"**Commodity Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

"**Delayed Publication or Announcement**" means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Issue Terms will apply.

"**Delivery Date**" means the date specified in the applicable Issue Terms.

"**Disappearance of Commodity Reference Price**" means:

(i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;

(ii) the disappearance of, or of trading in, the Commodity; or

(iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

"**Exchange**" means, in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Issue Terms or Commodity Reference Price.

"**Fallback Reference Price**" means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Issue Terms and not subject to a Market Disruption Event.

"**First Notice Date**" means, in respect of a Futures Contract, the first date after which a party to the contract may be required to deliver or take possession of, as applicable, the specified amount of the underlying commodity in respect of such Futures Contract as determined by the relevant Exchange.

"**Futures Contract**" means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

"**Gold**" means gold bars or unallocated gold complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

"**ICE**" means the Intercontinental Exchange or its successor.

"**Index Sponsor**" means, in relation to a Commodity Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index and (b) announces (directly or through an agent) the price or level of such Index on a regular basis, which as of the Issue Date is the index sponsor specified for such Commodity Index in the applicable Issue Terms.

"**LBMA**" means The London Bullion Market Association or its successor.

"**LME**" means The London Metal Exchange Limited or its successor.

"**London Gold Market**" means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Gold.

"**London Silver Market**" means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver.

"**LPPM**" means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

"**Material Change in Content**" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

"**Material Change in Formula**" means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

"**MMBTU**", "**MMBtu**" and "**mmbtu**" each means one million British thermal units.

"**Nearby Month**" when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) "**First Nearby Month**" means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) "**Second Nearby Month**" means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

"**NYBOT**" means the New York Board of Trade or its successor.

"**NYMEX**" means NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

"**Palladium**" means palladium ingots or plate or unallocated palladium complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

"**Platinum**" means platinum ingots or plate or unallocated platinum complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

"**Postponement**" means that the Pricing Date will be deemed, for purposes of the application of the definition of Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of Disruption Fallback above will apply.

"**Price Source**" means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Issue Terms (provided that in respect of a Commodity Index, if the relevant Commodity Reference Price is not published on such Price Source, the Calculation Agent may, in its sole and absolute discretion, (i) use a successor page or publication or alternative source as it considers appropriate, (ii) determine that such non-publication is a Market Disruption Event in respect of such Commodity Index, or (iii) determine that such non-publication is an Index Adjustment Event in respect of the Commodity Index.

"**Price Source Disruption**" means:

(i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant

Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price); or

(ii) the temporary or permanent discontinuance or unavailability of the Price Source.

For these purposes:

(a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:

(i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or

(ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing price, settlement price or afternoon fixing price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

"**Pricing Date**" has the meaning given it in the applicable Issue Terms.

"**Relevant Price**" means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price or level of the Commodity Index, determined with respect to that day and, where Intraday Price is specified as applicable in the applicable Issue Terms, at any time thereon for the specified Commodity Reference Price calculated as provided in these Conditions and, in the case of an Exempt Note, the applicable Pricing Supplement.

"**Reuters**" means Reuters or its successor.

"**Reuters Screen**" means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

"**Silver**" means silver bars or unallocated silver complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

"**Specified Price**" means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable Issue Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning

fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Issue Terms.

14. Currency Linked Notes

If the Notes are specified as Currency Linked Interest Notes and/or Currency Linked Redemption Notes in the applicable Issue Terms, then the provisions of this Condition 14 shall apply.

14.01 *Redemption of Currency Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each principal amount of the Currency Linked Redemption Notes equal to the Calculation Amount set out in the applicable Issue Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in the applicable Final Terms (unless otherwise specified in Condition 30 in the case of a Non-Exempt Note) or, in the case of an Exempt Note, determined in the manner specified in, the applicable Pricing Supplement.

14.02 *Definitions applicable to Currency Linked Notes*

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Issue Terms.

"**Currency Price**" means, in the case of an Exempt Note, the Currency Price specified in the applicable Pricing Supplement, or if not so specified in the applicable Pricing Supplement or in the case of a Non-Exempt Note:

(i) in the case of Currency Linked Notes relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Issue Terms, the Valuation Date or (B) if Averaging is specified in the applicable Issue Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and

(ii) in the case of Currency Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Issue Terms, the Valuation Date or (B) if Averaging is specified in the applicable Issue Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

"**FX 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), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Issue Terms.

"**FX Disrupted Day**" means any FX Business Day on which a FX Market Disruption Event occurs.

'**FX Market Disruption Event**" means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, any FX Trading Suspension or Limitation and/or any Inconvertibility Event, in each case if specified in the applicable Issue Terms, and/or, in the case of an Exempt Note, any other event specified as applicable in the applicable Pricing Supplement.

"**FX Price Source(s)**" means, in respect of a Subject Currency, the price source(s) specified in the applicable Issue Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

"**FX Price Source Disruption**" means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

"**FX Trading Suspension or Limitation**" means the suspension of and/or limitation of trading in the currencies required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

"**Inconvertibility Event**" means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

(i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Base Currency into the Subject Currency); and

(ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

"**Interbank Market**" means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m. Sydney time on a Monday in any week to and including 5.00 p.m. New York time on the Friday of such week.

"**Observation Period**" means the period specified as such in the applicable Issue Terms.

"**Specified Financial Centre(s)**" means the financial centre(s) specified in the applicable Issue Terms.

"**Scheduled Valuation Date**" means any original date, that but for the occurrence of an event causing an FX Disrupted Day, would have been a Valuation Date.

"**Valuation Cut-Off Date**" means the Valuation Cut-Off Date specified in the applicable Issue Terms.

"**Valuation Date**" means each date specified as such in the applicable Issue Terms or, if that is not FX Business Day, the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

(i) where the Currency Linked Notes relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall, in the case of Exempt Notes, determine the relevant price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable or in the case of Non-Exempt Notes, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or

(ii) where the Currency Linked Notes relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an "**Affected Subject Currency**") by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall, in the case of Exempt Notes, determine the relevant price using, in relation to the Affected Subject Currency, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable or in the case of Non-Exempt Notes, using its good faith estimate of the price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

"**Valuation Time**" means:

(i) the Valuation Time specified in the applicable Issue Terms; or

(ii) where Intraday Price is specified as applicable in the applicable Issue Terms, each relevant time at which the Currency Price is determined.

"**Weighting**" means the weight of each of the Subject Currencies comprising the Basket of Subject Currencies as specified in the applicable Issue Terms.

15. Preference Share Linked Notes

If the Notes are specified as Preference Share Linked Notes in the applicable Issue Terms, then the provisions of this Condition 15 shall apply.

15.01 ***Redemption of Preference Share Linked Notes***

Unless previously redeemed or purchased and cancelled, each Preference Share Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount, in the case of a Non-Exempt Note, determined in the manner specified in Condition 30 and Condition 31 or, in the case of an Exempt Note, specified in, or determined in the manner specified in, the applicable Pricing Supplement on the Maturity Date.

15.02 ***Early Redemption for Taxation Reasons***

If the Preference Share Linked Notes are redeemed pursuant to Condition 5.02, each Preference Share Linked Note shall be redeemed by payment of the Early Redemption Amount.

15.03 ***Call Option***

If Call Option is specified in the applicable Issue Terms as being applicable, the provisions of Condition 5.03 shall apply to the Preference Share Linked Notes as if the words "redeem all or some only" in the fourth and fifth lines were replaced with the words "redeem all (but not some only)".

15.04 ***Early Redemption of Preference Share Linked Notes***

Upon the occurrence of a Preference Share Early Redemption Event, the Issuer may give notice to the Holders in accordance with Condition 23 and will redeem all (but not some only) of the Preference Share Linked Notes on the tenth Business Day immediately preceding the date on which the Preference Shares are to be redeemed (as specified in the Early Redemption Notice), each Preference Share Linked Note to be redeemed by payment of the Early Redemption Amount.

15.05 ***Extraordinary Events***

If in the determination of the Calculation Agent an Extraordinary Event occurs, the Issuer may (but is not obliged to) redeem all (but not some only) of the Preference Share Linked Notes (giving notice to the Holders in accordance with Condition 23), each Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day Immediately following the date on which such determination is made by the Calculation Agent.

15.06 ***Additional Disruption Events***

If the Calculation Agent determines, in its sole and absolute discretion that an Additional Disruption Event occurs, the Issuer may (but is not obliged to) redeem all (but not some only) of the Preference Share Linked Notes (giving notice to Holders in accordance with Condition 23), such Preference Share Linked Note being redeemed at the Early Redemption Amount on the tenth Business Day immediately following the date on which such determination is made by the Calculation Agent.

15.07 ***Cancellation of Redeemed and Purchased Preference Share Linked Notes***

The provisions of Condition 5.11 shall apply to the Preference Share Linked Notes as if the words "by the Issuer" were inserted between the words "purchased" and "in accordance" in the third line thereof.

15.08 ***Definitions applicable to Preference Share Linked Notes***

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption and/or Insolvency Filing, in each case if specified in the applicable Issue Terms.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Issue Terms) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (A) it has become illegal to hold, acquire or dispose of any Preference Share or (B) it will incur a materially increased cost in performing its obligations in relation to the Preference Share Linked Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

"**Early Redemption Notice**" means a notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"**Early Redemption Valuation Date**" means the third Business Day immediately preceding the date for early redemption of the Preference Share Linked Notes.

"**Extraordinary Event**" means a Merger Event, a Nationalisation, a Tender Offer and/or an Insolvency or, in the case of an Exempt Note, such other event specified as such in the applicable Pricing Supplement.

"**Final Valuation Date**" means the date specified as such in the applicable Issue Terms or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Final Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute. maintain, unwind or dispose of any transaction(s) *or* asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Preference Share Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Entity**" means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to the Preference Shares in respect of the Issuer's obligations under the Notes.

"**Initial Valuation Date**" means the Issue Date or, if the date for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Initial Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Calculation Agent.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Preference Share Issuer (A) all the Preference Shares are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Preference Shares become legally prohibited from transferring them.

“**Insolvency Filing**” means that the Preference Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Preference Share Issuer shall not be deemed an Insolvency Filing.

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

“**Merger Event**” means any (A) reclassification or change of the Preference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Preference Shares outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Preference Shares outstanding), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Preference Shares that results in a transfer of or an irrevocable commitment to transfer all such Preference Shares (other than such Preference Shares owned or controlled by such other entity or person), or (D) consolidation, amalgamation, merger or binding share exchange of the Preference Share Issuer with or into another entity in which the Preference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Preference Shares outstanding but results in the outstanding Preference Shares (other than Preference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Preference Shares immediately following such event, in each case if the Merger Date is on or before the Maturity Date.

“**Nationalisation**” means that all the Preference Shares or all or substantially all the assets of the Preference Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Preference Share Early Redemption Event**” means that the Issuer or any of its affiliates has received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

“**Preference Share Issuer**” means RBC GELP (UK) Limited.

"**Preference Shares**" means the preference shares of the Preference Share Issuer specified in the applicable Issue Terms.

"**Preference Share Value**" means, in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Calculation Agent.

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Preference Share Issuer as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"**Valuation Time**" has the meaning given to it in the applicable Issue Terms or if not set out in the applicable Issue Terms, 3 p.m. (London time).

15.09 ***Calculations and Determinations***

The Calculation Agent will make the calculations and determinations as described in this Condition 15 in such a manner as the Calculation Agent determines is appropriate acting in good faith and in a commercially reasonable manner (having regard in each case to the criteria stipulated in the Conditions and the hedging arrangements in respect of the Notes).

Notwithstanding that certain calculations, determinations and adjustments in this Condition 15 may be expressed to be on a certain date, the Calculation Agent may make such calculations, determinations and adjustments in respect of that date on a date after that date determined by it in its discretion.

Pursuant to this Condition 15 the Calculation Agent has a number of discretions. These are necessary since in certain circumstances it is not reasonably practicable or otherwise not appropriate for certain valuations to be carried out in relation to relevant reference assets and in these circumstances the Calculation Agent may exercise certain discretions.

The provisions of the second paragraph of Condition 4.08 will not apply to the calculation of the Final Redemption Amount or Early Redemption Amount.

15.10 ***Payments – General Provisions***

Condition 18.19 shall not apply to the Preference Share Linked Notes.

16. Events of Default

16.01 The following events or circumstances (each an "**Event of Default**") shall be acceleration events in relation to the Notes of any Series, namely:

(i) the Issuer fails to pay any Outstanding Principal Amount or deliver any Entitlement in respect of the Notes of the relevant Series or any of them on the due date for payment or delivery thereof or fails to pay any amount of interest in respect of the Notes of the relevant Series or any of them within 30 days of the due date of payment thereof; or

(ii) if the Issuer shall have become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed, or if the Superintendent of Financial

Institutions (Canada) shall have taken control of the assets of the Issuer or of the Issuer itself.

16.02 If any Event of Default shall occur in relation to any Series of Notes, any Holder of a Note of the relevant Series may, by written notice to the Issuer, at the specified office of the Issuing and Paying Agent, declare that such Note and (unless the Note is a Zero Coupon Note) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at the Early Redemption Amount determined in accordance with Condition 5.09, together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

17. Taxation

17.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes, Receipts or Coupons by or on behalf of the Issuer will be paid 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 or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax and, in the case of Notes issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holder after such withholding or deduction shall equal the respective amounts of principal, interest or other amounts which would have been received in respect of the Notes, Receipts or Coupons (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

(i) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of such Note, Receipt or Coupon; or

(ii) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder or other person entitled to payments under the Notes, Receipts or Coupons being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or

(iii) to, or to a third party on behalf of, a holder who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Issuer; or

(iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Council Directive

2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(v) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union; or

(vi) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or

(vii) for or on account of any withholding tax or deduction imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, whether currently in effect or as published and amended from time to time (the "**FATCA Withholding Tax Rules**").

17.02 For the purposes of these Conditions:

"**Relevant Date**" means, in respect of any Note, Receipt or Coupon, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the Issuing and Paying Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 23.

17.03 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Condition 5.02 and Condition 17.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

17.04 Unless the context otherwise requires, any reference in these Conditions to any payment due in respect of the Notes, Receipts or Coupons shall be deemed to include (a) any additional amounts which may be payable under this Condition 17 and (b) the delivery of an Entitlement. Unless the context otherwise requires, any reference in these Conditions to "**principal**" shall include any premium payable in respect of a Note, any Instalment Amount, Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions, any Disruption Cash Settlement Price and any Failure to Deliver Settlement Price and "**interest**" shall include all amounts payable pursuant to Condition 4 and any other amounts in the nature of interest payable pursuant to these Conditions.

18. Payments

Payments – Bearer Notes

18.01 Conditions 18.01 to 18.07 are applicable in relation to Notes in bearer form.

18.02 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save as provided below) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

18.03 Payment of amounts in respect of interest on Bearer Notes will be made:

(i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside (unless Condition 18.04 applies) the United States and, in the case of a Temporary Global Note, upon due certification as required therein;

(ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside (unless Condition 18.04 applies) the United States; and

(iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on an Interest Payment Date, against presentation of the relevant Definitive Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 18.04 applies) the United States.

18.04 Notwithstanding the foregoing (and in relation to payments in U.S. dollars only), payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons for Coupon sheets in accordance with Condition 18.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code of 1986 and Regulations promulgated thereunder) unless (i) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If clauses (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

18.05 If the due date for payment of any amount due in respect of any Bearer Note is not a Payment Date (as defined in Condition 18.17), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Date and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4.06 or, if appropriate, Condition 4.09.

18.06 Each Definitive Note initially delivered with Coupons or, Talons attached thereto should be presented and, save in the case of partial payment of the Redemption Amount,

surrendered for final redemption together with all unmatured Coupons and Talons relating thereto, failing which:

(i) the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Definitive Notes that are Fixed Rate Notes or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 19);

(ii) all unmatured Coupons relating to such Definitive Notes that are Floating Rate Notes or Reference Item Linked Interest Notes (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them; and

(iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 18.06 notwithstanding, if any Definitive Notes should be issued with a Maturity Date and Rate or Rates of Interest such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

18.07 In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the Interest Payment Date of the final Coupon comprised in any Coupon sheet, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 18.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 19 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

Payments – Registered Notes

18.08 Conditions 18.09 to 18.11 are applicable in relation to Registered Notes. For the avoidance of doubt Conditions 18.09 to 18.11 shall not apply in relation to Swiss Notes in the form of Intermediated Securities.

18.09 Payment of the Final Redemption Amount (together with accrued interest) due in respect of Registered Notes will be made against presentation and, save in the case of partial payment of the Final Redemption Amount, surrender of the relevant Registered Notes at the specified office of the Registrar. If the due date for payment of the Final Redemption Amount of any Registered Note is not a Payment Date (as defined in Condition 18.17), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Date, and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4.06 or, as appropriate, Condition 4.12.

18.10 Payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount and accrued interest in respect thereof) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.07) before the due date for such payment (the "**Record Date**").

18.11 Notwithstanding the provisions of Condition 18.15, payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount and accrued interest in respect thereof) in respect of Registered Notes will be made in the currency in which such amount is due by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of Joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.07) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Payment Date, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Payment Date and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4.06 or, as appropriate, Condition 4.12.

Payments – Swedish Notes

18.11a Payments in respect of Swedish Notes will be made on the due date for payments to the persons registered as Holders in the Swedish Notes Register on the fifth (5) Banking Day

(or in accordance with the rules and procedures applied by Euroclear Sweden from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of Swedish Notes is not a Payment Date, the holder thereof shall not be entitled to payment until the next following Payment Date and shall not be entitled to interest or other payment in respect of such delay.

Payments – Swiss Notes

18.11b Payments in respect of Swiss Notes in the form of Intermediated Securities will be made to the Holders on the due date for such payment, subject to Condition 2.04 and in accordance with the rules and procedures applied by SIX SIS from time to time.

Payments – Swiss Definitive Notes

18.11c Payments in respect of Swiss Notes in definitive registered form will be made in accordance with Condition 18.09, 18.10(ii) and 18.11 with all references to "Registrar", "Euroclear and Clearstream, Luxembourg" and "register" being read as references to the "Swiss Programme and Paying Agent", "SIX SIS" and the "Swiss Register" respectively.

Payments – Finnish Notes

18.11d Payments in respect of Finnish Notes will be made on the due date for payments to the persons registered as Holders in the Finnish Securities Register on the Banking Day (or in accordance with the rules and procedures applied by Euroclear Finland from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of Finnish Notes is not a Payment Date, the holder thereof shall not be entitled to payment until the next following Payment Date and shall not be entitled to interest or other payment in respect of such delay.

Payments – Specific provisions in relation to payments in respect of certain types of Exempt Notes

18.12 Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt. Payment of the Final Instalment Amount in respect of an Instalment Note which is a Definitive Note with Receipts will be made only against presentation and surrender (or, in the case of any part payment, endorsement) of the relevant Note and Receipt. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (in any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

18.13 Upon the date on which any Dual Currency Note or Note which bears interest in variable amounts which is a Definitive Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and

no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

Payments – General Provisions

18.14 Save as otherwise specified in these Conditions, Conditions 18.15 to 18.18 are applicable in relation to Bearer Notes, Registered Notes, Swedish Notes and Finnish Notes.

18.15 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes (other than payments of amounts due in Renminbi and payments of amounts due in respect of Swedish Notes or Finnish Notes) will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee. In the case of Bearer Notes, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Notes be made by a cheque mailed to an address in the United States.

Payments of amounts due (whether principal, interest or otherwise) in respect of Swedish Notes will be made in accordance with Condition 18.11a and in respect of Finnish Notes in accordance with Condition 18.11d in the currency in which such amount is due by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee.

Payments of amounts in Renminbi will be made by credit or transfer to a Renminbi account maintained by or on behalf of the payee with a bank in any Relevant Renminbi Settlement Centre as specified in the applicable Issue Terms in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant Relevant Renminbi Settlement Centre).

Payments will, without prejudice to the provisions of Condition 17, be subject in all cases to (i) any applicable fiscal or other laws and regulations and (ii) any withholding or deduction required pursuant to the FATCA Withholding Tax Rules.

18.16 If the determination of any amount (whether in respect of principal, interest or otherwise) due in respect of the Notes on an Interest Payment Date, Instalment Date, early redemption date or the Maturity Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Reference Item(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided herein or in the applicable Issue Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary herein or in the applicable Issue Terms, such Interest Payment Date, Instalment Date, early redemption date or the Maturity Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest or other amount shall be payable on the Notes in respect of such delay.

18.17 For the purposes of these Conditions (other than with respect to payments to be made on Swedish Notes or Finnish Notes) "**Payment Date**" means:

(i) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and

foreign currency deposits) in (A) in the case of Notes in definitive form only, the place of presentation of the relevant Note or, as the case may be, Coupon and (B) each Financial Centre specified in the applicable Issue Terms;

(ii) if TARGET is specified in the applicable Issue Terms, a day which is a TARGET Business Day; and

(iii) either (A) in the case of any currency other than euro or Renminbi, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the principal financial of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); (B) in the case of payment in euro, a day which is a TARGET Business Day; or (C) in the case of payment in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in each Relevant Renminbi Settlement Centre.

18.17a In relation to payments to be made on Swedish Notes and Finnish Notes, for the purposes of these Conditions, "**Payment Date**" means any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business (including dealings in foreign exchange and foreign currency deposits) in Stockholm or Helsinki, respectively.

18.18 No commissions or expenses shall be charged to the Holders of Notes or Coupons in respect of such payments.

18.19 If the Issuer is due to make a payment in a currency (the "**original currency**") other than euro or Renminbi in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the "**Euro FX Rate**") at which the original currency is offered in exchange for euro in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two London Banking Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the original currency will be payable. Any payment made in euro or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 16.

18.20 Notwithstanding any other provision in these Conditions, if an Inconvertibility, Non-Transferability or Illiquidity occurs or if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, acting in good faith and in a commercially reasonable manner, following which the Issuer is unable to satisfy payments of principal or interest (in whole or in part) in respect of RMB Notes, the Issuer on giving not less than five nor more than 30 days

irrevocable notice to the Holders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. dollars Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. dollars Equivalent of the relevant principal or interest in respect of the Notes shall be made by transfer to the U.S. dollars account of the Relevant Account Holders for the benefit of the Holders. For the avoidance of doubt, no such payment of the U.S. dollars Equivalent shall by itself constitute a default in payment within the meaning of Condition 16.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 18.20 by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agent and all Holders and (in the absence of manifest error) no liability to the Issuer, the Paying Agent and all Holders shall attach to the RMB Rate Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

For the purposes of these Conditions:

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of each Relevant Renminbi Settlement Centre.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Illiquidity**" means that the general Renminbi exchange market in each Relevant Renminbi Settlement Centre becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB Notes in the general Renminbi exchange market in each Relevant Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-Transferability**" means the occurrence in each Relevant Renminbi Settlement Centre of any event that makes it impossible for the Issuer to transfer Renminbi (A) between accounts inside a Relevant Renminbi Settlement Centre, (B) from an account inside a Relevant Renminbi Settlement Centre to an account outside such Relevant Renminbi Settlement Centre, or (C) from an account outside a Relevant Renminbi Settlement Centre to an account inside such Relevant Renminbi Settlement Centre; in each case other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Relevant Renminbi Settlement Centre**" means each of the jurisdiction(s) specified as such in the applicable Issue Terms or if no Relevant Renminbi Settlement Centre is specified in the relevant Issue Terms, the Relevant Renminbi Settlement Centre shall mean Hong Kong only.

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in any Relevant Renminbi Settlement Centre reasonably selected by the Issuer.

"**RMB Note**" means a Note denominated in Renminbi.

"**RMB Rate Calculation Agent**" means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Issue Terms.

"**RMB Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in each Relevant Renminbi Settlement Centre and in New York City.

"**RMB Rate Calculation Date**" means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under the Conditions.

"**RMB Spot Rate**" for a RMB Rate Calculation Date means the spot CNY/U.S. dollars exchange rate for the purchase of U.S. dollars with RMB in the over-the-counter RMB exchange market in the Relevant Renminbi Settlement Centre in which the RMB Rate Calculation Agent is located for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11 a.m. (local time of the Relevant Renminbi Settlement Centre) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3 or if no such rate is available on a non deliverable basis by reference to Reuters Screen Rate TRADNDF. If neither rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11 a.m. (local time of the Relevant Renminbi Settlement Centre) on the RMB Rate Calculation Date as the most recently available CNY/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the People's Republic of China (excluding Hong Kong, Macao Special Administrative Region of the People's Republic of China and Taiwan) (the "**PRC**"), which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**U.S. dollars Equivalent**" means the Relevant Renminbi amount converted into U.S. dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

19. Prescription

19.01 In respect of Notes governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, subject to applicable law, the Issuer's obligation to pay an amount of principal and interest in respect of Notes will cease if the Notes or Coupons, as the case may be, are not presented within two years after the Relevant Date (as defined in Condition 17.02) for payment thereof, or such other length of time as is specified in the applicable Issue Terms.

19.02 In respect of Notes governed by English law (whether in bearer or registered form), Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 17.02) therefor.

19.03 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 18.06 or this Condition 19 or the maturity date or due date for the payment of which would fall after the due date for the redemption of the relevant Note, or any Talon the maturity date of which would fall after the due date for the redemption of the relevant Note.

19.04 In relation to Swedish Notes, the Issuer's obligation to pay an amount of principal or interest in respect of such Notes will cease if a claim for payment of such principal or interest is not made within ten years after the Relevant Date.

For the purposes of this Condition 19.04, "**Relevant Date**" means the date on which such payment first becomes due, or such later date on which an interruption of the period of limitation (Sw. *preskriptionsavbrott*) is made in accordance with the Swedish Limitations Act 1981 (Sw. *preskriptionslagen (1981: 130)*).

19.05 In relation to Finnish Notes, the Issuer's obligation to pay an amount of principal or interest in respect of such Notes will cease if a claim for payment of such principal or interest is not made within three years after the Relevant Date.

For the purposes of this Condition 19.05, "**Relevant Date**" means the date on which such payment first becomes due, or such later date on which an interruption of the period of limitation (Fin. *vanhentumisen katkaiseminen*) is made in accordance with the Finnish Limitations Act (Fin. *laki velan vanhentumisesta* (*728/2003*)).

20. The Paying Agents, the Registrar and the Calculation Agent

20.01 The Issuing and Paying Agent and the Registrar and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes and any additional or other Paying Agents shall be specified in Part A or Part B of the applicable Issue Terms, respectively. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Notes, a Registrar, (iii) following the issue of Definitive Notes, and while any such Definitive Notes are outstanding, a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a continental European city, (iv) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (v) so long as the Notes are admitted to trading on the Irish Stock Exchange and/or admitted to listing or trading on any other stock exchange or relevant authority and the rules of such exchange or relevant authority so require, a Paying Agent (which may be the Issuing and Paying Agent) and a Registrar each with a specified office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (vi) in the circumstances described in Condition 17.04, a Paying Agent with a specified office in New York City, and (vii) a Calculation Agent where required by the Conditions applicable to any

Notes (in the case of (i), (ii), (iii) and (vii) with a specified office located in such place (if any) as may be required by the Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 23.

20.01a The Swedish Notes Issuing and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swedish Notes Issuing and Paying Agent provided that the Issuer shall at all times maintain a Swedish Notes Issuing and Paying Agent authorised to act both as an account operating institution (Sw. *kontoförande institut*) and issuing agent (Sw. *emissionsinstitut*) with Euroclear Sweden. Notice of all changes in the identity or specified offices of the Swedish Notes Issuing and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 23.

20.01b The Swiss Programme and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swiss Programme and Paying Agent provided that the Issuer shall at all times maintain a Swiss Programme and Paying Agent authorised to act in such capacity. Notice of all changes in the identity or specified offices of the Swiss Programme and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 23.

20.01c The Finnish Issuing and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Finnish Issuing and Paying Agent provided that the Issuer shall at all times maintain a Finnish Issuing and Paying Agent authorised to act both as an account operator and issuer agent with Euroclear Finland. Notice of all changes in the identity or specified offices of the Finnish Issuing and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 23.06.

20.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to their respective appointments, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

20.03 Notwithstanding the foregoing, the Issuing and Paying Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect of any Notes issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Notes. The applicable Issue Terms relating to such Notes shall include the relevant details regarding the applicable Paying Agent.

21. Replacement of Notes (other than Swedish Notes or Finnish Notes)

If any Note (other than any Swedish Note or Finnish Notes), Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent or any Paying Agent (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) (the "**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

22. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of Notes of any Series (other than Swedish Notes or Finnish Notes) to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Conditions insofar as the same may apply to such Notes. An Extraordinary Resolution passed by the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Holders of Coupons relating to Notes of such Series, except that without the consent and affirmative vote of each Holder of Notes, no Extraordinary Resolution may: (i) amend the Maturity Date or other redemption date of the Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the Rates of Interest in respect of the Notes, Fixed Coupon Amounts or vary the manner in which the Rate(s) of Interest are to be determined, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Issue Terms, reduce any such minimum and/or maximum, (v) change any method of or basis for, calculating the Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) in the case of an Exempt Note subject to any applicable redenomination provisions specified in the Pricing Supplement, change the Specified Currency or Currencies of payment or Specified Denomination of the Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Notes or the majority required to pass an Extraordinary Resolution or (viii) modify or eliminate any of items (i) through (vii), inclusive above unless passed at a meeting of the Holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

In addition to Extraordinary Resolutions passed at meetings of the Holders of Notes, the Issue and Paying Agency Agreement provides that either (i) a resolution in writing signed on behalf of the Holders of not less than three-fourths of the aggregate principal amount of Notes for the timing being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed on behalf of one or more Holders) or (ii) consents given by way of electronic consents through the relevant clearing system(s) by or on behalf of a Holder of not less than three-fourths in principal amount of the Notes for the time being outstanding will take effect as an Extraordinary Resolution.

The Issuer may without the consent of the Issuing and Paying Agent or the Holders of the Notes, make any modification to these Terms and Conditions (i) which is not materially prejudicial to the interests of the Holders of Notes, or (ii) to correct a manifest or proven error or an error that is of a formal, minor or technical nature, or to correct, cure or supplement any defective provision contained herein in respect of Notes. Subject as aforesaid, no other

modification may be made to these Terms and Conditions except with the sanction of an Extraordinary Resolution adopted by the Holders.

Save as provided therein, the Issue and Paying Agency Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Notes.

22a. Meetings of Holders of Swedish Notes and Modification

The Swedish Notes Issuing and Paying Agent Agreement contains provisions for convening meetings of the Holders of Swedish Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Swedish Notes Issuing and Paying Agent Agreement) of these Conditions insofar as the same may apply to such Swedish Notes. An Extraordinary Resolution passed at any meeting of the Holders of Swedish Notes of any Series will be binding on all Holders of the Swedish Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Swedish Notes of such Series, except that without the consent and affirmative vote of each Holder of Swedish Notes, no Extraordinary Resolution may: (i) amend the Maturity Date or other redemption date of the Swedish Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Swedish Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Swedish Notes, (iii) reduce the Rates of Interest in respect of the Swedish Notes, Fixed Coupon Amounts or vary the manner in which the Rate(s) of Interest are to be determined, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Issue Terms, reduce any such minimum and/or maximum, (v) change any method of or basis for, calculating the Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) in the case of an Exempt Note subject to any applicable redenomination provisions specified in the Pricing Supplement, change the Specified Currency or Currencies of payment or Specified Denomination of the Swedish Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Swedish Notes or the majority required to pass an Extraordinary Resolution or (viii) modify or eliminate any of items (i) through (vii), inclusive above unless passed at a meeting of the Holders of Swedish Notes (or at any adjournment thereof) at which a special quorum (provided for in the Swedish Notes Issuing and Paying Agent Agreement) is present.

If the holder of Swedish Notes held through a nominee (an "**Indirect Noteholder**") attends the meeting (in person or through a duly authorised agent) and shows a certificate from the relevant nominee showing that such Indirect Noteholder on the fifth (5th) Business Day prior to the meeting was a holder of Swedish Notes, the Indirect Noteholder shall be regarded a Holder of Swedish Notes for the purposes of this Condition 22a.

In connection with a meeting of Holders of Swedish Notes, the Swedish Notes Issuing and Paying Agent shall have access to the Swedish Notes Register.

Save as provided therein, the Swedish Notes Issuing and Paying Agent Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Swedish Notes.

22b. Meetings of Holders of Finnish Notes and Modification

The Issuer may, and upon a request in writing by Holders of Notes holding not less than one-tenth of the principal amount of the Notes for the time being outstanding of any Series, convene meetings of the Holders of Finnish Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary

Resolution of these Conditions. At least twenty-one but no more than sixty days notice, specifying the day, time and place of the meeting shall be given to the Holders of Finnish Notes of the relevant Series. The notice shall be delivered to the Holders of the Finnish Notes in accordance with Condition 23.06 below and a copy of the notice shall be given to the Finnish Issuing and Paying Agent and Euroclear Finland. The notice shall specify the terms of the resolutions to be proposed.

Only persons being Holders of Finnish Notes on the fifth Business Day prior to the meeting according to the Finnish Securities Register shall be entitled to attend and vote at the meeting. A Holder of Finnish Notes may by an instrument in writing in the English language signed by the Holder and delivered to the Issuer not later than 48 hours prior to the time for which such meeting or adjourned meeting is convened, appoint any person (a "**proxy**") to attend and act on it or its behalf in connection with any meeting or proposed meeting of the Holders of Finnish Notes. The Finnish Issuing and Paying Agent, the Issuer, Euroclear Finland and their respective financial and legal advisers shall be entitled to attend and speak at any meeting of the Holders of Finnish Notes.

A person nominated in writing by the Issuer shall be entitled to take the chair at every meeting, but if no such nomination is made or if at any meeting the person nominated shall not be present within thirty minutes after the time appointed for the holding of such meeting, the Holders of Finnish Notes present may appoint another such person to be chairman.

At any such meeting any two or more Holders of Finnish Notes of the relevant Series (or their proxies) present in person holding in the aggregate a clear majority in principal amount of the Finnish Notes of the relevant Series for the time being outstanding shall form a quorum for the transaction of business, provided that at any meeting at which an Extraordinary Resolution is to be proposed the quorum for such meeting shall be any two or more Holders of Finnish Notes of the relevant Series or their proxies, holding in the aggregate at least 75 per cent. in principal amount of the Finnish Notes of the relevant Series for the time being outstanding (a "**special quorum**") and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The expression "**Extraordinary Resolution**" in this Condition 22b means a resolution passed at a meeting of the Holders of Finnish Notes duly convened and held in accordance with the provisions contained herein by a majority consisting of not less than three-fourths of the votes cast thereon. In addition, either (i) a resolution in writing signed on behalf of the Holders of Finnish Notes of not less than 75 per cent. in principal amount of the Finnish Notes for the time being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed on behalf of one or more Holders of Finnish Notes) or (ii) consents given by way of electronic consents through the relevant clearing systems by or on behalf of Holders of Finnish Notes of not less than 75 per cent. in principal amount of the Finnish Notes for the time being outstanding will take effect as if it were an Extraordinary Resolution.

If within half an hour from the time appointed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Holders of Finnish Notes, be dissolved. In any other case it shall stand adjourned for such period, not being less than fourteen days nor more than forty-two days, as may be decided by the chairman. At such adjourned meeting two or more Holders of Finnish Notes of the relevant Series (or their proxies), whatever the principal amount of the Finnish Notes so held or represented by them, shall form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had a quorum been present at such meeting, provided that at any adjourned meeting at which an Extraordinary Resolution is to be proposed the quorum for such meeting shall be two or more Holders of Finnish Notes of the

relevant Series (or their proxies) holding the aggregate at least 25 per cent. in principal amount of the Finnish Notes for the time being outstanding. At least ten days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as of an original meeting and such notice shall state the quorum required at such adjourned meeting.

Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes to which he may be entitled as a Holder of Finnish Notes or as a proxy.

At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or the Issuer or by any Holder(s) of Finnish Notes of the relevant Series (or their proxies) representing in the aggregate at least 2 per cent. of the principal amount of the Finnish Notes for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. If at any meeting a poll is demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Any poll demanded at any meeting on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

At any such meeting (a) on a show of hands every person who is present in person and who is a Holder of Finnish Notes of the relevant Series or a proxy shall have one vote and (b) on a poll every person who is so present shall have one vote in respect of each outstanding principal amount of the Finnish Notes equal to the Calculation Amount of such Series of Finnish Notes so produced or represented or in respect of which he is a proxy. Without prejudice to the obligations of the proxies named in any form of proxy, any person entitled to more than one vote need not use all its votes or cast all the votes to which he is entitled in the same way.

A meeting of the Holders of Finnish Notes shall, in respect of the Finnish Notes of the relevant Series only and insofar only as it affects the Finnish Notes of the relevant Series and subject to the provisions contained in these Terms and Conditions have the following powers exercisable by Extraordinary Resolution namely:

(a) power to sanction any modification, abrogation, variation or compromise of, an arrangement in respect of, the rights of the Holders of Finnish Notes of the relevant Series against the Issuer whether such rights shall arise under the Finnish Notes or otherwise;

(b) power to sanction the exchange or substitution for the Finnish Notes of or the conversion of those Finnish Notes into other obligations or securities of the Issuer or any other body corporate formed or to be formed;

(c) power to assent to any modification of the provisions contained in the Finnish Notes and these Terms and Conditions;

(d) power to waive or authorise any breach or proposed breach by the Issuer of its obligations under these Terms and Conditions or any act or omission which might otherwise constitute an event of default under these Terms and Conditions;

(e) power to authorise Euroclear Finland or any other person to concur in and execute and do all such deeds, documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;

(f) power to give any authority, direction or sanction which under these Terms and Conditions is required to be given by Extraordinary Resolution; and

(g) power to appoint any persons (whether Holders of Finnish Notes or not) as a committee or committees to represent the interests of the Holders of Finnish Notes and to confer upon such committee or committees any powers or discretions which such Holders of Finnish Notes could themselves exercise by Extraordinary Resolution;

provided, however, that no Extraordinary Resolution may without the consent of the Holder of each such Finnish Note affected thereby: (i) amend the Maturity Date or other redemption date of the Finnish Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Finnish Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Finnish Notes, (iii) reduce the Rates of Interest in respect of the Finnish Notes, Fixed Coupon Amounts or vary the manner in which the Rate(s) of Interest are to be determined, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Issue Terms, reduce any such minimum and/or maximum, (v) change any method of or basis for, calculating the Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) modify the provisions concerning the quorum required at any meeting of Holders of Finnish Notes or the majority required to pass an Extraordinary Resolution or (vii) modify or eliminate any of items (i) through (vi), inclusive above unless passed at a meeting of the Holders of Finnish Notes (or at any adjournment thereof) at which a special quorum is present. An Extraordinary Resolution passed at any meeting of the Holders of Finnish Notes of any Series will be binding on all Holders of the Finnish Notes of such Series, whether or not they are present at the meeting.

Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Holders of Finnish Notes, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

Any Finnish Notes which have been purchased or are held by (or on behalf of) the Issuer or any subsidiary of the Issuer but which have not been cancelled shall, unless and until resold, be deemed not to be outstanding for the purposes of this Condition 22b.

The Issuer may, with the consent of the Finnish Issuing and Paying Agent, but without the consent of the Holders of the Finnish Notes, make any modification to these Terms and Conditions (i) which is not materially prejudicial to the interests of the Holders of Finnish

Notes, or (ii) to correct a manifest or proven error or an error that is of a formal, minor or technical nature, or to correct, cure or supplement any defective provision contained herein in respect of Finnish Notes. Subject as aforesaid, no other modification may be made to these Terms and Conditions except with the sanction of an Extraordinary Resolution adopted by the Holders.

Save as provided therein, the Finnish Issuing and Paying Agent Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Finnish Notes.

23. Notices

To Holders of Bearer Notes

23.01 Notices to Holders of Bearer Notes will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if permitted by the rules of the relevant stock exchange or other relevant authority, in the case of Notes represented by a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or such other clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

To Holders of Registered Notes

23.02 Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, or permitted by the rules of the relevant stock exchange or other relevant authority, in the case of Registered Notes in global form, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to persons shown in their respective records as having interests therein. Any notice so given will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed.

To Issuer

23.03 Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent or the Registrar (as applicable). While any of the Notes are represented by a Global Note, such notice may be given by any Holder to the Issuing and Paying Agent or the Registrar (as applicable) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the

Issuing and Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

In relation to Swedish Notes

23.04 All notices regarding the Swedish Notes will be deemed to be validly given if sent by mail to a Holder of Swedish Notes to the address registered for such Holder in the system of Euroclear Sweden or in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Sweden. Any such notice shall be deemed to have been given, if sent by mail to the Holder, on the fourth Business Day following the day the notice was sent by mail.

In relation to Swiss Notes listed on the SIX Swiss Exchange

23.05 All notices regarding Swiss Notes listed on the SIX Swiss Exchange to be made to Holders will be additionally given through the online information system of the SIX Swiss Exchange, by publishing on SIX Swiss Exchange's website as provided for in the rules of the SIX Swiss Exchange. The SIX Swiss Exchange's designated website is:

http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_en.html

In relation to Finnish Notes

23.06 All notices regarding Finnish Notes will be deemed to be validly given if sent by mail to a Holder of Finnish Notes to the address registered for such Holder in the system of Euroclear Finland or in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland. Any such notice shall be deemed to have been given, if sent by mail to the Holder, on the fourth Business Day following the day the notice was sent by mail.

24. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further Notes, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and the date from which interest starts to accrue and/or the Specified Denomination thereof) so as to form a single series with the Notes of any particular Series.

25. Currency Indemnity

Subject to Condition 18.19 and Condition 18.20, the currency in which the Notes are denominated or, if different, payable, as specified in the Issue Terms (the "**Contractual Currency**"), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon

in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

26. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

27. Branch of Account

27.01 For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Issue Terms shall be the branch of account (the "**Branch of Account**") for the deposit liabilities under the *Bank Act* (Canada) evidenced by this Note. If not specified in the applicable Issue Terms, the Branch of Account will be the main branch of the Issuer in Toronto. Notes issued by a Branch of Account are obligations of the Bank.

27.02 Notes will be paid without the necessity of first being presented for payment at the Branch of Account.

27.03 If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposit liabilities under the *Bank Act* (Canada) evidenced by the relevant Note, upon not less than seven days' prior notice to the Holder given in accordance with Condition 23 and upon and subject to the following terms and conditions:

(i) if the Note is denominated in Yen, the Branch of Account or Branch, as the case may be, shall not be in Japan;

(ii) the Issuer shall indemnify and hold harmless the holders of the Notes, Receipts and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and

(iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments of principal, interest or other amounts on Notes of this Series, Coupons and Receipts relating thereto to holders thereof (other than

Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an "**Excluded Holder**" means a holder of a Note of this Series, Coupon or Receipts relating thereto who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a Note of this Series, Coupon or Receipts as a non-resident of such Relevant Jurisdiction. "**Relevant Jurisdiction**" means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and "**taxes**" means any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Notes of this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

28. *Contracts (Rights of Third Parties) Act 1999*

No person shall have any rights to enforce any Condition of any Notes governed by English law under the *Contracts (Rights of Third Parties) Act 1999*, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

29. Law and Jurisdiction

29.01 The Issue and Paying Agency Agreement, the Notes and Receipts, Coupons and Talons related thereto and, unless otherwise specified in the applicable Issue Terms, the Notes and Receipts, Coupons and Talons related thereto are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

29.02 In the case of Notes issued on a non-syndicated basis only, if specified in the applicable Issue Terms, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with such Notes, Receipt, Coupons and Talons shall be governed by, and shall be construed in accordance with, English law.

29.03 The Swedish Notes and Finnish Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

29.04 The Swiss Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

29.05a If the governing law for the Notes, the Receipts, the Coupons and the Talons is specified in the applicable Issue Terms as being English law, subject to Condition 29.05c below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with any such Notes, Receipts, Coupons or Talons, 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 any such Notes, Receipts, Coupons and/or Talons (a "**Dispute**") and accordingly each of the Issuer and any Holder of such Notes, Receipts, Coupons or Talons in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

29.05b For the purposes of this 2905a to 29.05c, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

29.05c To the extent allowed by law, the Holder of such Notes, Receipts, Coupons or Talons may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

29.05d The Issuer irrevocably agrees that service of process in any such proceedings in England in relation to any Dispute shall be deemed completed on delivery to its London branch at Riverbank House, 2 Swan Lane, London EC4R 3BF, England (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint another person as its agent for service of process in England in respect of any Dispute and shall immediately notify Holders of such appointment in accordance with Condition 23. Nothing shall affect the right to serve process in any manner permitted by law.

30. Additional Payouts Condition

The following condition (the "**Payout Condition**"), subject to completion in the applicable Final Terms, relates to the payouts in respect of certain Notes as specified below. In particular, certain sections of the Payout Condition will be completed in the applicable Final Terms. Depending upon the relevant Reference Item, the provisions of Condition 7 (Index Linked Notes), Condition 8 (Equity Linked Notes), Condition 9 (Physical Delivery), Condition 10 (Fund Linked Notes) and Condition 12 (Provisions relating to Exchange Traded Funds), Condition 13 (Commodity Linked Notes) or Condition 14 (Currency Linked Notes), as applicable, will apply to the Notes, in each case as amended as set out in this Payout Condition. In the event of any inconsistency between any other provisions of the Terms and Conditions of the Notes and this Payout Condition, this Payout Condition shall prevail. In the event of any inconsistency between (i) other provisions of the Terms and Conditions of the Notes and/or this Payout Condition and (ii) the Final Terms, the Final Terms shall prevail.

30.01 Final Redemption Amount

If the Notes are specified in the applicable Final Terms as Non-Exempt Reference Item Linked Redemption Notes, the provisions of this Condition 30.01 will apply and:

"**Final Redemption Amount**" means an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

(a) if Capital Barrier Event is specified as applicable in the applicable Final Terms:

(i) if a Capital Barrier Event has occurred:

(w) if Final Redemption Amount 1 is specified in the applicable Final Terms:

Min (Calculation Amount x Relevant Reference Performance in respect of the Relevant Monitoring Date, Cap);

(x) if Final Redemption Amount 2 is specified in the applicable Final Terms:

Calculation Amount x (Relevant Reference Performance in respect of the Relevant Monitoring Date / Capital Barrier Level);

(y) if Final Redemption Amount 3 is specified in the applicable Final Terms:

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

(z) if Final Redemption Amount 4 is specified in the applicable Final Terms:

Calculation Amount x (X1% + [X% x Max (Floor, K1% – Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

(ii) if a Capital Barrier Event has not occurred:

(x) if Final Redemption Amount 7 is specified in the applicable Final Terms:

Calculation Amount x Z%;

or

(y) otherwise:

(A) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is below 100%:

(1) if Final Redemption Amount 3 is specified in the applicable Final Terms:

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

(2) if Final Redemption Amount 4 is specified in the applicable Final Terms:

Calculation Amount x (X1% + [X% x Max (Floor, K1% – Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

(B) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is equal to or greater than 100%:

(1) if Final Redemption Amount 3 is specified in the applicable Final Terms:

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]);

(2) if Final Redemption Amount 4 is specified in the applicable Final Terms:

Calculation Amount × (X1% + [X% x Max (Floor, K1% – Relevant Reference Performance in respect of the Relevant Monitoring Date)]);

(3) if Final Redemption Amount 5 is specified in the applicable Final Terms:

Calculation Amount x (P% + [Y% x Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date))]); or

(4) if Final Redemption Amount 6 is specified in the applicable Final Terms:

Calculation Amount × (X2% + [Y% × Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date – K2%))]);

(b) if Put Strike Event is specified as applicable in the applicable Final Terms:

(i) if a Put Strike Event has occurred:

Calculation Amount × (Relevant Reference Performance in respect of the Relevant Monitoring Date / Put Strike Level); or

(ii) if a Put Strike Event has not occurred:

(x) if Final Redemption Amount 7 is specified in the applicable Final Terms:

Calculation Amount × Z%; or

(y) otherwise:

(A) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is below 100%:

(1) if Final Redemption Amount 3 is specified in the applicable Final Terms:

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

(2) if Final Redemption Amount 4 is specified in the applicable Final Terms:

Calculation Amount x (X1% + [X% x Max (Floor, K1% – Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

(B) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is equal to or greater than 100%:

(1) if Final Redemption Amount 5 is specified in the applicable Final Terms:

Calculation Amount × (P% + [Y% × Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date))]); or

(2) if Final Redemption Amount 6 is specified in the applicable Final Terms:

Calculation Amount × (X2% + [Y% × Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date – K2%))]);

(c) if the Notes are specified in the applicable Final Terms as Preference Share Linked Notes:

$$Calculation\ Amount\ x \frac{Preference\ Share\ Value_{final}}{Preference\ Share\ Value_{initial}};$$

(d) if the Notes are specified in the applicable Final Terms as Mini-Future Short Redemption Notes:

(Calculation Amount x Max [Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date]) / FX Rate in respect of such day;

(e) if the Notes are specified in the applicable Final Terms as IndiCap Redemption Notes:

$$\text{Calculation Amount x max}\left(\alpha\left(\sum_{i=1}^{n} W_i * max\left(F_i;\ min(Cap_i; A_i)\right) - K\right); Floor\right);$$

(f) if the Notes are specified in the applicable Final Terms as Himalayan Redemption Notes:

Calculation Amount x max (F, min(C, α (R-K)); or

(g) if the Notes are not specified in the applicable Final Terms as Preference Share Linked Notes, Mini-Future Short Redemption Notes, IndiCap Redemption Notes or Himalayan Redemption Notes and neither Capital Barrier Event nor Put Strike Event is specified as applicable in the applicable Final Terms;

Calculation Amount × (100% + X%).

For the purposes of this definition of Final Redemption Amount for Preference Share Linked Notes, the Issue Price must be 100 per cent. of the Aggregate Principal Amount.

30.02 Non-Exempt Trigger Early Redemption Notes

If Condition 5.08 (Trigger Early Redemption) is specified in the applicable Final Terms, the provisions of this Condition 30.02 will apply and:

"**Trigger Early Redemption Amount**" is:

(a) if Trigger Early Redemption Event 2 applies, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times (\text{X\%} + \text{Composite Rate in respect of the Trigger Event Date});$$

(b) if Trigger Early Redemption Event 4 applies, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

(Calculation Amount x Max [Floor, Relevant Reference Performance at such time as the Calculation Agent determines in its sole and absolute discretion within the First Number of Hours of the occurrence of the Trigger Early Redemption Event on the Relevant Monitoring Date related to the Trigger Event Date or at the determination of the Calculation Agent in its sole and absolute discretion, unless the relevant Reference Item is a Currency, if the Trigger Closing occurs before expiry of such First Number of Hours, such time as the Calculation Agent determines in its sole and absolute discretion within the Second Number of Hours of the Trigger Opening on the next Relevant Monitoring Date]) / FX Rate in respect of the relevant day; or

(c) otherwise, as specified in the applicable Final Terms;

"**Trigger Early Redemption Date**" is as specified in the applicable Final Terms; and

"**Trigger Early Redemption Event**" means Trigger Early Redemption Event 1, Trigger Early Redemption Event 2, Trigger Early Redemption Event 3 or Trigger Early Redemption Event 4, as specified in the applicable Final Terms.

30.03 Interest Amount

If the Notes are specified in the applicable Final Terms as Non-Exempt Reference Item Linked Interest Notes, the provisions of this Condition 30.03 will apply and:

"**Interest Amount**" means, in respect of an Interest Period:

(a) if the Notes are specified in the applicable Final Terms as Interest Barrier Notes:

(i) if an Interest Barrier Event occurs in respect of such Interest Period, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

$$(\text{Calculation Amount x Rate of Interest x Day Count Fraction}) - \text{Paid Interest; or}$$

(ii) otherwise, zero; or

(b) if the Notes are specified in the applicable Final Terms as Interest Reference Performance Notes, Digital Range Accrual Interest Notes, Floating Ratchet Interest Notes, Floating Participation Interest Notes, IndiCap Interest Notes, Yieldseeker Interest Notes or Yieldseeker Bonus Interest Notes, an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

$$\text{Calculation Amount} \times \text{Rate of Interest} \times \text{Day Count Fraction},$$

Provided That:

(i) if Global Interest Cap Event is specified as applicable in the applicable Final Terms and a Global Interest Cap Event occurs in respect of an Interest Period:

(x) the Interest Amount otherwise determined in respect of such Interest Period as provided above will be reduced by an amount equal to the Global Interest in respect of such Interest Period less the Global Interest Cap; and

(y) the Interest Amount in respect of each Interest Period thereafter will be zero; and/or

(ii) if Global Interest Floor Event is specified as applicable in the applicable Final Terms, the Notes are redeemed pursuant to Condition 5.01 (Redemption at Maturity), Condition 5.03 (Call Option), Condition 5.08 (Trigger Early Redemption), Condition 7.01 (Redemption of Index Linked Redemption Notes), Condition 8.01 (Redemption of Equity Linked Redemption Notes), Condition 11.01 (Redemption of Fund Linked Redemption Notes), Condition 12.01 (Redemption of ETF Linked Notes), Condition 13.01 (Redemption of Commodity Linked Redemption Notes), Condition 14.01 (Redemption of Currency Linked Redemption Notes) or Condition 15.01 (Redemption of Preference Share Linked Notes) and a Global Interest Floor Event occurs in respect of the final Interest Period, the Interest Amount otherwise determined in respect of such Interest Period as provided above will be increased by an amount equal to the Global Interest Floor less the Global Interest in respect of such Interest Period.

If the Notes are Switchable Interest Notes, the applicable interest basis in respect of the Notes will change as provided under "Change of Interest Basis" in the applicable Final Terms on:

(a) if Issuer's Switch Option is specified as applicable in the applicable Final Terms and the Issuer gives a notice to the Holders in accordance with Condition 23 stating that the interest basis will change, on the date specified in such notice;

(b) if Switchable Interest Trigger Event is specified as applicable in the applicable Final Terms and a Switchable Interest Trigger Event occurs, the Switch Interest Date; or

(c) otherwise, the Switch Interest Date.

30.04 Physical Delivery Payout

If the Notes are specified in the applicable Final Terms as Non-Exempt Physical Delivery Notes, the provisions of this Condition 30.04 will apply and:

"**Entitlement**" means:

(Calculation Amount / Initial Valuation) / FX Rate.

"**Settlement Business Day**" means any day on which the Entitlement Clearing System is (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions.

31. ***Additional Definitions relating to the Payout Condition***

"**α**" means:

(a) if Call Option is specified as applicable in the applicable Final Terms, 1; or

(b) if Put Option is specified as applicable in the applicable Final Terms, -1.

"**AAA%**" is as specified in the applicable Final Terms.

"$\mathbf{A_i}$" means:

$$\frac{1}{\sum_{t=1}^{T} c(i,t)}\left(\sum_{t=1}^{T} \mathrm{c(i,t)*max\,(LFi;\,min\,(LCi;\,Si(t)))}\right)$$

"$\mathbf{A_i^{(J)}}$" means, in respect of a Reference Item and an Observation Period, the weighted average of the Single Underlying Relevant Reference Performance in respect of such Reference Item and each Relevant Monitoring Date in the Observation Period, weighted by reference to the Weighting specified for such Relevant Monitoring Date or Observation Period, as the case may be, in the applicable Final Terms.

"**Basket Relevant Reference Performance**" means:

(a) if Capital Barrier Event 3 or Trigger Early Redemption Event 4 applies, in respect of any time, the weighted average of the Single Underlying Relevant Reference Performance in respect of each Reference Item, such time and the Relevant Monitoring Date, weighted by reference to the Weighting specified for such Reference Item in the applicable Final Terms; or

(b) otherwise, the weighted average of the Single Underlying Relevant Reference Performance in respect of each Reference Item and the Relevant Monitoring Date, weighted by reference to the Weighting specified for such Reference Item in the applicable Final Terms.

"**BBB%**" is as specified in the applicable Final Terms.

"**Benchmark Rate**" means:

(a) for the purposes of Rate of Interest 2 or Trigger Early Redemption Event 2:

(i) in respect of a Floating Rate Option and a day which is a Benchmark Rate Business Day, the ISDA Rate that would be determined pursuant to Condition 4 were ISDA Rate Determination applicable with the Benchmark Rate provisions specified in relation to such Floating Rate Option under the Reference Item Linked Interest Notes or Trigger Early Redemption

provisions, as applicable, in the applicable Final Terms and references therein to "Rate of Interest" and "Interest Period" to "Benchmark Rate" and "Benchmark Rate Business Day" respectively; or

(ii) in respect of a Floating Rate Option and a day which is not a Benchmark Rate Business Day, the Benchmark Rate in respect of the immediately preceding Benchmark Rate Business Day,

Provided That if the Notes are specified in the applicable Final Terms as Digital Range Accrual Interest Notes, the Benchmark Rate in respect of each Range Observation Date in the relevant Range Observation Period falling after the Range Observation Cut-Off Date in such Range Observation Period will be the Benchmark Rate in respect of the Range Observation Cut-Off Date; or

(b) for the purposes of Switchable Interest Trigger Event, Rate of Interest 5, Rate of Interest 6, Rate of Interest 7 or Rate of Interest 8, in respect of a Floating Rate Option and an Interest Period, the ISDA Rate that would be determined pursuant to Condition 4 were ISDA Rate Determination applicable with the Benchmark Rate provisions specified in relation to such Floating Rate Option under the Change of Interest Basis or Reference Item Linked Interest Notes provisions, as applicable, in the applicable Final Terms and references therein to "Rate of Interest" to "Benchmark Rate".

"**Benchmark Rate Business Day**" means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the locations specified for such purposes in the applicable Final Terms; and/or

(b) if TARGET is specified for such purposes in the applicable Final Terms, a day which is a TARGET Business Day.

"**Benchmark Weighting**", in respect of a Floating Rate Option, is as specified in the applicable Final Terms.

"**Best-of Basket Relevant Reference Performance**" means:

(a) if Capital Barrier Event 3 applies or Trigger Early Redemption Event 4, the Single Underlying Relevant Reference Performance in respect of the Best Performer, the relevant time and the Relevant Monitoring Date; or

(b) otherwise, the Single Underlying Relevant Reference Performance in respect of the Best Performer and the Relevant Monitoring Date.

"**Best Performer**" means the Reference Item in respect of which the Single Underlying Relevant Reference Performance is, in the determination of the Calculation Agent, the largest positive number, provided that if the Single Underlying Relevant Reference Performance is the same number with respect to two or more Reference Items the Calculation Agent shall determine the Best Performer.

"**$Bonus_H$**" means AAA%.

"**BonusHigh**" is as specified in the applicable Final Terms.

"**$Bonus_L$**" means BBB%.

"**BonusLow**" is as specified in the applicable Final Terms.

"**c**" is as specified in the applicable Final Terms.

"**C**" is as specified in the applicable Final Terms.

"**Cap**" is as specified in the applicable Final Terms.

"**Capital Barrier Event**" means Capital Barrier Event 1, Capital Barrier Event 2 or Capital Barrier Event 3, as specified in the applicable Final Terms.

"**Capital Barrier Event 1**" means the Relevant Reference Performance in respect of the Relevant Monitoring Date is:

(a) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Capital Barrier Level; or

(b) if Less than is specified as applicable in the applicable Final Terms, less than the Capital Barrier Level.

"**Capital Barrier Event 2**" means the Relevant Reference Performance in respect of any Relevant Monitoring Date is:

(a) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Capital Barrier Level; or

(b) if Less than is specified as applicable in the applicable Final Terms, less than the Capital Barrier Level.

"**Capital Barrier Event 3**" means the Relevant Reference Performance in respect of any time and a Relevant Monitoring Date is:

(a) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Capital Barrier Level; or

(b) if Less than is specified as applicable in the applicable Final Terms, less than the Capital Barrier Level.

"**Capital Barrier Level**" is as specified in the applicable Final Terms.

"**Composite Rate**" means, in respect of an Interest Period or a Relevant Monitoring Date, a rate calculated by the Calculation Agent equal to the sum, for each Floating Rate Option specified in the applicable Final Terms of:

$$\text{Benchmark Weighting} \times \text{Benchmark Rate}.$$

"**Entitlement Clearing System**" is as specified in the applicable Final Terms.

"**Exchange Rate**" is as specified in the applicable Final Terms.

"**F**" is as specified in the applicable Final Terms.

"**First Number of Hours**" is as specified in the applicable Final Terms.

"**First Outperformance Reference Item**" is as specified in the applicable Final Terms.

"**Floor**" is as specified in the applicable Final Terms.

"**FX Rate**" means:

(a) if the Notes are specified in the applicable Final Terms as Mini-Future Short Redemption Notes and/or Trigger Early Redemption Event 4 applies, in respect of a Relevant Monitoring Date, the Trigger FX Currency/Specified Currency spot rate of exchange appearing on the Trigger FX Price Source (or any Trigger FX Price Source Successor) at the Trigger FX Valuation Time on such Relevant Monitoring Date (expressed as the number of units (or part units) of the Trigger FX Currency for which one unit of the Specified Currency can be exchanged) or, if such rate does not so appear on the Trigger FX Price Source (or any Trigger FX Price Source Successor as aforesaid), the rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) and at such time(s) as it determines appropriate; or

(b) (i) if FX Rate is specified as applicable in the applicable Final Terms, the Exchange Rate in respect of the last occurring Monitoring Date; or

(ii) if FX Rate is not specified as applicable in the applicable Final Terms, one.

"**Global Interest**" means, in respect of an Interest Period, the sum of (a) the Interest Amount in respect of each principal amount of Notes equal to the Calculation Amount and each previous Interest Period and (b) the Interest Amount in respect of each principal amount of Notes equal to the Calculation Amount and such Interest Period (ignoring for such purposes the proviso to the definition of Interest Amount).

"**Global Interest Cap**" is as specified in the applicable Final Terms.

"**Global Interest Cap Event**" means, in respect of an Interest Period, the Global Interest in respect of such Interest Period is greater than the Global Interest Cap.

"**Global Interest Floor**" is as specified in the applicable Final Terms.

"**Global Interest Floor Event**" means, in respect of an Interest Period, the Global Interest in respect of such Interest Period is less than the Global Interest Floor.

"**i**" means a Reference Item.

"**Initial Monitoring Date**" means each date specified as such in the applicable Final Terms.

"**Initial Valuation**" is:

(a) the level or price specified in the applicable Final Terms; or

(b) if not so specified, Initial Valuation 1, Initial Valuation 2, Initial Valuation 3 or Initial Valuation 4, as specified in the applicable Final Terms.

"**Initial Valuation 1**" means:

(a) if Capital Barrier Event 3 applies, the Reference Item Level in respect of a Reference Item, the relevant time and the Relevant Initial Monitoring Date; or

(b) otherwise, the Reference Item Level in respect of a Reference Item and the Relevant Initial Monitoring Date.

"**Initial Valuation 2**" means:

(a) if Capital Barrier Event 3 applies, the arithmetic average of the Reference Item Levels in respect of a Reference Item, the relevant time and the Initial Monitoring Dates in respect of the Relevant Monitoring Date; or

(b) otherwise, the arithmetic average of the Reference Item Levels in respect of a Reference Item and the Initial Monitoring Dates in respect of the Relevant Monitoring Date.

"**Initial Valuation 3**" means:

(a) if Capital Barrier Event 3 applies, the highest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date; or

(b) otherwise, the highest of the Reference Item Levels in respect of a Reference Item and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date.

"**Initial Valuation 4**" means:

(a) if Capital Barrier Event 3 applies, the lowest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date; or

(b) otherwise, the lowest of the Reference Item Levels in respect of a Reference Item and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date.

"**Interest Barrier Event**" means the Relevant Reference Performance in respect of any Relevant Monitoring Date in respect of the relevant Interest Period is equal to or greater than the Interest Barrier Level.

"**Interest Barrier Level**" is as specified in the applicable Final Terms.

"**J**" means an Observation Period.

"$\mathbf{k_i}$" means the Initial Valuation in respect of a Reference Item.

"**K**" is as specified in the applicable Final Terms.

"**K1%**" is as specified in the applicable Final Terms.

"**K2%**" is as specified in the applicable Final Terms.

"**LC**" is as specified in the applicable Final Terms.

"**LF**" is as specified in the applicable Final Terms.

"**$LR^{(J)}$**" means:

$$\min(LC^{(J)}, \max(LF^{(J)}, P^{(J)}))$$

"**M**" means the number of Observation Periods.

"**Maximum Rate of Interest**" means, in respect of an Interest Period:

(a) if Composite Rate Cap is specified in the applicable Final Terms:

$$\text{XXX\%} + \text{Composite Rate; or}$$

(b) otherwise, as specified in the applicable Final Terms.

"**Minimum Rate of Interest**" means, in respect of an Interest Period:

(a) if Composite Rate Floor is specified in the applicable Final Terms:

$$\text{XXX\%} + \text{Composite Rate; or}$$

(b) otherwise, as specified in the applicable Final Terms.

"**Monitoring Date**" means each date specified as such in the applicable Final Terms.

"**n**" means the number of Reference Items.

"**nn**" means:

(a) if the Notes are specified in the applicable Final Terms as Interest Barrier Notes, the number of Relevant Monitoring Dates in respect of the relevant Interest Period in respect of which the Relevant Reference Performance is equal to or greater than the Interest Barrier Level; or

(b) if the Notes are specified in the applicable Final Terms as Digital Range Accrual Interest Notes, the number of Range Observation Dates in the Range Observation Period in respect of the relevant Interest Period on which the Composite Rate is:

(i) if Lower Barrier is specified as applicable in the applicable Final Terms:

(x) if Equal to or Greater than is specified as applicable in the applicable Final Terms, equal to or greater than the Interest Barrier Level; or

(y) if Greater than is specified as applicable in the applicable Final Terms, greater than the Interest Barrier Level; and/or

(ii) if Upper Barrier is specified as applicable in the applicable Final Terms:

(x) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Interest Barrier Level; or

(y) if Less than is specified as applicable in the applicable Final Terms, less than the Interest Barrier Level.

"**nth**" means the number specified as such in the applicable Final Terms.

"**N**" means:

(a) if Rate of Interest 1 applies, an integer corresponding to the number of Relevant Monitoring Dates in the period from (but excluding) the Trade Date to (and including) the Relevant Monitoring Date immediately preceding the Interest Payment Date for the relevant Interest Period; or

(b) if Rate of Interest 2 applies:

(i) if the Notes are specified in the applicable Final Terms as Interest Barrier Notes, the number of Relevant Monitoring Dates in respect of the relevant Interest Period; or

(ii) if the Notes are specified in the applicable Final Terms as Digital Range Accrual Interest Notes, the number of Range Observation Dates in the Range Observation Period in respect of the relevant Interest Period.

"**Outperformance Relevant Reference Performance**" means:

(a) if Capital Barrier Event 3 or Trigger Early Redemption Event 4 applies, an amount equal to (a) the Specified Outperformance Relevant Reference Performance in respect of the First Outperformance Reference Item, the relevant time and the Relevant Monitoring Date minus (b) the Specified Outperformance Relevant Reference Performance in respect of the Second Outperformance Reference Item, the relevant time and the Relevant Monitoring Date; or

(b) otherwise, an amount equal to (a) the Specified Outperformance Relevant Reference Performance in respect of the First Outperformance Reference Item and the Relevant Monitoring Date minus (b) the Specified Outperformance Relevant Reference Performance in respect of the Second Outperformance Reference Item and the Relevant Monitoring Date.

"**P%**" is as specified in the applicable Final Terms.

"**Paid Interest**" means, in respect of an Interest Period:

(a) if Memory Feature is specified as applicable in the applicable Final Terms, the sum of the Interest Amount in respect of each principal amount of Notes equal to the Calculation Amount and each previous Interest Period; or

(b) if Memory Feature is not specified as applicable in the applicable Final Terms, zero.

"$\mathbf{P_i^{(J)}}$" means:

$(A_i^{(J)} / k_i) – 1$.

"$\mathbf{P_0^{(J)}}$" means:

$$\frac{1}{n}\sum_{i=1}^{n} P_i^{(J)}$$

"**$P^{(J)}$**" means:

(a) if Ranked Performance is specified in the applicable Final Terms, $P_i^{(J)}$ in respect of the Ranked Reference Item; or

(b) if Average Performance is specified in the applicable Final Terms, $P_0^{(J)}$.

"**Preference Share Value$_{final}$**" means the Preference Share Value on the Final Valuation Date.

"**Preference Share Value$_{initial}$**" means the Preference Share Value on the Initial Valuation Date.

"**Put Strike Event**" means the Relevant Reference Performance in respect of any Relevant Monitoring Date is less than the Put Strike Level.

"**Put Strike Level**" is as specified in the applicable Final Terms.

"**R**" means:

(a) if Average Return is specified as applicable in the applicable Final Terms:

$$\frac{1}{M}\sum_{J=1}^{M} LR^{(J)}$$

(b) if Summed Return is specified as applicable in the applicable Final Terms:

$$\sum_{J=1}^{M} LR^{(J)}$$; or

(c) if Compounded Return is specified as applicable in the applicable Final Terms:

$$\prod_{J=1}^{M}(1+LR^{(J)})-1$$

"**Range Observation Cut-Off Date**" is as specified in the applicable Final Terms.

"**Range Observation Date**" is as specified in the applicable Final Terms.

"**Range Observation Period**" is as specified in the applicable Final Terms.

"**Ranked Reference Item**" means the Reference Item in respect of which $P_i^{(J)}$ is, in the determination of the Calculation Agent, ranked as the nth number (for which purposes the largest positive $P_i^{(J)}$ (or, if none, the smallest negative $P_i^{(J)}$) will be ranked as the first number), provided that if $P_i^{(J)}$ is the same number with respect to two or more Reference Items the Calculation Agent shall determine the Ranked Reference Item.

"**Ranked Relevant Reference Performance**" means:

(a) if Capital Barrier Event 3 or Trigger Early Redemption Event 4 applies, the weighted average of the Single Underlying Relevant Reference Performances in respect of

each Reference Item, the relevant time and the Relevant Monitoring Date, weighted by reference to the Ranked Weighting which will be allocated to such Reference Item on the basis of the ranking of the relevant Single Underlying Relevant Reference Performance; or

(b) otherwise, the weighted average of the Single Underlying Relevant Reference Performances in respect of each Reference Item and the Relevant Monitoring Date, weighted by reference to the Ranked Weighting which will be allocated to such Reference Item on the basis of the ranking of the relevant Single Underlying Relevant Reference Performance.

"**Ranked Weighting**" is as specified in the applicable Final Terms.

"**Rate of Interest**" means, in respect of an Interest Period, Rate of Interest 1, Rate of Interest 2, Rate of Interest 3, Rate of Interest 4, Rate of Interest 5, Rate of Interest 6, Rate of Interest 7, Rate of Interest 8 or Rate of Interest 9, as specified in the applicable Final Terms.

"**Rate of Interest 1**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

$$XXX\% \times N.$$

"**Rate of Interest 2**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

$$XXX\% \times (nn / N).$$

"**Rate of Interest 3**" means, in respect of an Interest Period, XXX%.

"**Rate of Interest 4**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

$$P\% \times [T\% + \text{Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date in respect of the relevant Interest Period} - XXX\%)].$$

"**Rate of Interest 5**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

$$\text{Rate of Interest in respect of the previous Interest Period} + XXX\% + \text{Composite Rate}.$$

"**Rate of Interest 6**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

$$XXX\% + \text{Composite Rate}.$$

"**Rate of Interest 7**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

$$YYY\% \text{ x } [T\% + \text{Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date in respect of the relevant Interest Period} - Z\%)] + \text{Composite Rate}.$$

"**Rate of Interest 8**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

YYY% x [T% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date in respect of the relevant Interest Period – Z%)] + Composite Rate.

"**Rate of Interest 9**" means, in respect of an Interest Period, a rate calculated by the Calculation Agent equal to:

(a) if the Yieldseeker Bonus Performance in respect of the Relevant Monitoring Date for the Interest Period is equal to or greater than the Yieldseeker High Barrier, $Bonus_H$;

(b) if the Yieldseeker Bonus Performance in respect of the Relevant Monitoring Date for the Interest Period is equal to or less than the Yieldseeker Low Barrier, $Bonus_L$; or

(c) otherwise, the Yieldseeker Bonus Performance in respect of the Relevant Monitoring Date for the Interest Period.

"**Reference Item Level**" means:

(a) where the Reference Item is an Index, the Reference Level;

(b) where the Reference Item is an Equity or an ETF Fund Share, the Reference Price;

(c) where the Reference Item is a Commodity, the Relevant Price; or

(d) where the Reference Item is a Currency, the Currency Price,

in each case assuming for such purposes that the Notes relate to a single Reference Item.

"**Relevant Initial Monitoring Date**" means each Initial Monitoring Date specified as such in the applicable Final Terms.

"**Relevant Monitoring Date**" means each Monitoring Date specified as such in the applicable Final Terms.

"**Relevant Reference Performance**" means Single Underlying Relevant Reference Performance, Basket Relevant Reference Performance, Best-of Basket Relevant Reference Performance, Outperformance Relevant Reference Performance, Ranked Relevant Reference Performance or Worst-of Basket Relevant Reference Performance, as specified in the applicable Final Terms.

"**Relevant Valuation**" means Relevant Valuation 1, Relevant Valuation 2, Relevant Valuation 3 or Relevant Valuation 4, as specified in the applicable Final Terms.

"**Relevant Valuation 1**" means:

(a) for the purposes of Capital Barrier Event 3 or Trigger Early Redemption Event 4, the Reference Item Level in respect of a Reference Item, the relevant time and the Relevant Monitoring Date; or

(b) otherwise, the Reference Item Level in respect of a Reference Item and the Relevant Monitoring Date.

"**Relevant Valuation 2**" means:

(a) for the purposes of Capital Barrier Event 3, the arithmetic average of the Reference Item Levels in respect of a Reference Item, the relevant time and the Monitoring Dates in respect of the Relevant Monitoring Date; or

(b) otherwise, the arithmetic average of the Reference Item Levels in respect of a Reference Item and the Monitoring Dates in respect of the Relevant Monitoring Date.

"**Relevant Valuation 3**" means:

(a) for the purposes of Capital Barrier Event 3, the highest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Monitoring Dates in respect of the Relevant Monitoring Date; or

(b) otherwise, the highest of the Reference Item Levels in respect of a Reference Item and the Monitoring Dates in respect of the Relevant Monitoring Date.

"**Relevant Valuation 4**" means:

(a) for the purposes of Capital Barrier Event 3, the lowest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Monitoring Dates in respect of the Relevant Monitoring Date; or

(b) otherwise, the lowest of the Reference Item Levels in respect of a Reference Item and the Monitoring Dates in respect of the Relevant Monitoring Date.

"**S**" means Single Underlying Relevant Reference Performance in respect of the Relevant Monitoring Date.

"**Second Number of Hours**" is as specified in the applicable Final Terms.

"**Second Outperformance Reference Item**" is as specified in the applicable Final Terms.

"**Single Underlying Relevant Reference Performance**" means:

(a) for the purposes of a Capital Barrier Event or Put Strike Event:

(i) if Capital Barrier Event 3 applies:

(x) if Final – Initial Level is specified as applicable in the applicable Final Terms:

Relevant Valuation in respect of the relevant time and the Relevant Monitoring Date / Initial Valuation, if applicable, in respect of the relevant time and the Relevant Initial Monitoring Date; or

(y) otherwise:

Relevant Valuation in respect of the relevant time and the Relevant Monitoring Date; or

(ii) if Capital Barrier Event 3 does not apply:

(x) if Final – Initial Level is specified as applicable in the applicable Final Terms:

Relevant Valuation in respect of the Relevant Monitoring Date / Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date; or

(y) otherwise:

Relevant Valuation in respect of the Relevant Monitoring Date;

(b) if the Notes are specified in the applicable Final Terms as Mini-Future Short Redemption Notes and/or Trigger Early Redemption Event 4 applies:

(i) for the purposes of determining Trigger Early Redemption Event 4 and the Trigger Early Redemption Amount:

Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date - Relevant Valuation in respect of the relevant time and the Relevant Monitoring Date; or

(ii) for the purposes of determining the Final Redemption Amount:

Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date – Relevant Valuation in respect of the Relevant Monitoring Date; or

(c) if the Notes are specified in the applicable Final Terms as Himalayan Redemption Notes:

Relevant Valuation in respect of the Relevant Monitoring Date; or

(d) for other purposes:

Relevant Valuation in respect of the Relevant Monitoring Date / Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date.

"**Single Yieldseeker Bonus Performance**" means:

(a) if the Relevant Reference Performance in respect of the relevant Reference Item and the Relevant Monitoring Date is equal to or greater than Cap_i, $BonusHigh_i$;

(b) if the Relevant Reference Performance in respect of the relevant Reference Item and the Relevant Monitoring Date is equal to or less than $Floor_i$, $BonusLow_i$; or

(c) otherwise, the Relevant Reference Performance in respect of the relevant Reference Item and the Relevant Monitoring Date.

"**Specified Outperformance Relevant Reference Performance**" means Basket Relevant Reference Performance, Best-of Basket Relevant Reference Performance, Ranked Relevant Reference Performance, Single Underlying Relevant Reference Performance or Worst-of Basket Relevant Reference Performance, as specified in the applicable Final Terms.

"**Switch Barrier Level**" is as specified in the applicable Final Terms.

"**Switch Interest Date**" is as specified in the applicable Final Terms.

"**Switchable Interest Trigger Event**" means the Composite Rate in respect of an Interest Period is:

(a) if Upper Switch Barrier is specified as applicable in the applicable Final Terms:

(i) if Equal to or Greater than is specified as applicable in the applicable Final Terms, equal to or greater than the Switch Barrier Level; or

(ii) if Greater than is specified as applicable in the applicable Final Terms, greater than the Switch Barrier Level; or

(b) if Lower Switch Barrier is specified as applicable in the applicable Final Terms:

(i) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Switch Barrier Level; or

(ii) if Less than is specified as applicable in the applicable Final Terms, less than the Switch Barrier Level.

"**t**" means a Relevant Monitoring Date.

"**T**" means the number of Relevant Monitoring Dates.

"**T%**" is as specified in the applicable Final Terms.

"**Trigger Barrier Level**" is as specified in the applicable Final Terms.

"**Trigger Closing**" means:

(a) where the Reference Item is an Index:

(i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, the actual closing time for the Exchange's regular trading session; or

(ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;

(b) where the Reference Item is an Equity or an ETF Fund Share, the actual closing time for the Exchange's regular trading session; or

(c) where the Reference Item is a Commodity, the actual closing time for the regular trading session of the market or exchange determined by the Calculation Agent to be relevant for trading in such Commodity (which, for the avoidance of doubt, may be the Exchange),

all as determined by the Calculation Agent in its sole and absolute discretion.

"**Trigger Early Redemption Event 1**" means the Relevant Reference Performance in respect of a Relevant Monitoring Date (the "**Trigger Event Date**") is:

(a) if Lower Trigger Barrier is specified as applicable in the applicable Final Terms:

(i) if Equal to or Greater than is specified as applicable in the applicable Final Terms, equal to or greater than the Trigger Barrier Level; or

(ii) if Greater than is specified as applicable in the applicable Final Terms, greater than the Trigger Barrier Level; and/or

(b) if Upper Trigger Barrier is specified as applicable in the applicable Final Terms:

(i) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Trigger Barrier Level; or

(ii) if Less than is specified as applicable in the applicable Final Terms, less than the Trigger Barrier Level.

"**Trigger Early Redemption Event 2**" means the Composite Rate in respect of a Relevant Monitoring Date (the "**Trigger Event Date**") is:

(a) if Upper Trigger Barrier is specified as applicable in the applicable Final Terms:

(i) if Equal to or Greater than is specified as applicable in the applicable Final Terms, equal to or greater than the Trigger Barrier Level; or

(ii) if Greater than is specified as applicable in the applicable Final Terms, greater than the Trigger Barrier Level; or

(b) if Lower Trigger Barrier is specified as applicable in the applicable Final Terms:

(i) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Trigger Barrier Level; or

(ii) if Less than is specified as applicable in the applicable Final Terms, less than the Trigger Barrier Level.

"**Trigger Early Redemption Event 3**" means the Global Interest in respect of the Interest Period in which the Relevant Monitoring Date falls (the "**Trigger Event Date**") is equal to or greater than the Trigger Barrier Level.

"**Trigger Early Redemption Event 4**" means the Relevant Reference Performance in respect of any time and a Relevant Monitoring Date in the Trigger Event Period (the "**Trigger Event Date**") is greater than the Trigger Barrier Level.

"**Trigger Event Period**" is as specified in the applicable Final Terms.

"**Trigger FX Currency**" is as specified in the applicable Final Terms.

"**Trigger FX Price Source**" is as specified in the applicable Final Terms.

"**Trigger FX Price Source Successor**" means:

(a) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the previous Trigger FX Price Source; or

(b) if the sponsor has not officially designated a successor display page, other published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

"**Trigger FX Valuation Time**" is as specified in the applicable Final Terms.

"**Trigger Opening**" means:

(a) where the Reference Item is an Index:

(i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, the actual opening time for the Exchange's regular trading session; or

(ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, the latest actual opening time for the regular trading session of all the exchanges determined by the Calculation Agent to be relevant for trading in the Component Securities;

(b) where the Reference Item is an Equity or an ETF Fund Share, the actual opening time for the Exchange's regular trading session; or

(c) where the Reference Item is a Commodity, the actual opening time for the regular trading session of the market or exchange determined by the Calculation Agent to be relevant for trading in such Commodity (which, for the avoidance of doubt, may be the Exchange),

all as determined by the Calculation Agent in its sole and absolute discretion.

"**Weighting**" or "**w**" is as specified in the applicable Final Terms.

"**Worst-of Basket Relevant Reference Performance**" means:

(a) if Capital Barrier Event 3 or Trigger Early Redemption Event 4 applies, the Single Underlying Relevant Reference Performance in respect of the Worst Performer, the relevant time and the Relevant Monitoring Date; or

(b) otherwise, the Single Underlying Relevant Reference Performance in respect of the Worst Performer and the Relevant Monitoring Date.

"**Worst Performer**" means the Reference Item in respect of which the Single Underlying Relevant Reference Performance is, in the determination of the Calculation Agent, the smallest positive number, provided that if the Single Underlying Relevant Reference Performance is the same number with respect to two or more Reference Items the Calculation Agent shall determine the Worst Performer.

"**X%**" is as specified in the applicable Final Terms.

"**XXX%**" is as specified in the applicable Final Terms.

"**X1%**" is as specified in the applicable Final Terms.

"**X2%**" is as specified in the applicable Final Terms.

"**Y%**" is as specified in the applicable Final Terms.

"**YYY%**" is as specified in the applicable Final Terms.

"**Yieldseeker Bonus Performance**" means the weighted average of the Single Yieldseeker Bonus Performance in respect of each Reference Item and the Relevant Monitoring Date, weighted by reference to the Weighting specified for such Reference Item in the applicable Final Terms.

"**Yieldseeker High Barrier**" means XXX%.

"**Yieldseeker Low Barrier**" means YYY%.

"**Z%**" is as specified in the applicable Final Terms.