**BASE PROSPECTUS**


# WELLS FARGO & COMPANY

*(incorporated with limited liability in Delaware)*

## U.S.$50,000,000,000
## Euro Medium Term Note Programme

Wells Fargo & Company (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") as described in this Base Prospectus. Pursuant to the Programme, the Issuer may from time to time issue notes ("**Notes**") up to the maximum outstanding aggregate principal amount of U.S.$50,000,000,000.

Notes will be issued in series (each a "**Series**") in bearer form or in registered form. Each Series may comprise one or more tranches (each a "**Tranche**") issued on different issue dates. Each new Series, the first issuance of which takes place after the date of this Base Prospectus, will be issued subject to the applicable Indenture (as defined below). Each such Tranche will be issued on the terms set out in such Indenture as completed by a document setting out the final terms of such Tranche (the "**Final Terms**") or as amended, supplemented and/or replaced in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus must be read and construed together with all documents incorporated by reference herewith, any amendments or supplements hereto and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Notes issued as part of Series first issued on or after the date of this Base Prospectus, if designated as Senior Notes in the relevant Final Terms, will be issued under an amended and restated indenture dated 17 March 2017 (as may be supplemented from time to time) (the "**Senior Indenture**") among the Issuer and Citibank, N.A., London Branch as trustee (the "**Trustee**") for the holders of the Notes (the "**Noteholders**"), principal paying agent (the "**Principal Paying Agent**") and transfer agent (the "**Transfer Agent**"), and Citigroup Global Markets Europe AG as registrar (the "**Registrar**"). The Notes issued as part of Series first issued on or after the date of this Base Prospectus, if designated as Subordinated Notes in the relevant Final Terms, will be issued under an amended and restated indenture dated 17 March 2017 (as may be supplemented from time to time) (the "**Subordinated Indenture**" and together with the Senior Indenture, the "**Indentures**") among the Issuer, the Trustee, the Principal Paying Agent, the Transfer Agent and the Registrar.

Any Tranche that is issued after the date of this Base Prospectus as a reopening of a Series that was first issued before the date of this Base Prospectus will be subject to the terms and conditions applicable to such existing Series and such Notes will be either: (i) issued under the senior indenture applicable to such Series, in the case of Senior Notes, or the subordinated indenture applicable to such Series, in the case of Subordinated Notes (each amongst the Issuer, Trustee, Principal Paying Agent, Transfer Agent and Registrar); or (ii) constituted by, have the benefit of and be in all respects subject to a trust deed dated 18 December 2009, as supplemented from time to time (the "**Trust Deed**") between the Issuer and the Trustee, and will also have the benefit of an amended and restated agency agreement dated 16 April 2013 (the "**Agency Agreement**") between the Issuer, the Principal Paying Agent, the Transfer Agent and the Registrar.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state in the United States. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**") or any state securities commission, nor has the SEC or any state securities commission passed upon the accuracy or adequacy of this Base Prospectus. The Notes may be offered for sale to non-U.S. persons outside the United States, as defined in Regulation S under the Securities Act. The Notes may not be offered, delivered or sold within the United States or to or for the account of U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Notes in bearer form may only be issued to the extent they are classified as being in registered form for U.S. tax purposes.

**The Notes are unsecured obligations of the Issuer. The Notes are not deposits or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency. Holders of the Notes may be fully subordinated to interests held by the U.S. government in the event the Issuer enters into a receivership, insolvency, liquidation or similar proceeding.**

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of the Prospectus Directive (as defined herein) and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Applications have been made for the Notes to be admitted to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**") during the period of twelve months after the date hereof. The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**").

The Programme has been assigned ratings of A2 Senior Unsecured, A3 Subordinated and P-1 Short-term by Moody's Investors Service, Inc ("**Moody's**"), A+ and A for Senior Unsecured and Subordinated Notes respectively by Fitch Ratings, Inc. ("**Fitch**"), and A- long term senior unsecured, A-2 short term senior unsecured and BBB+ subordinated by S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("**Standard & Poor's**"). The Issuer has been assigned a Senior Debt rating of AA (low), a Subordinated Debt rating of A (high) and short-term instruments at R-1 (middle) by DBRS, Inc. ("**DBRS**"). None of Moody's, Fitch, Standard & Poor's or DBRS is established in the European Union ("**EU**") and none is registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). However, DBRS Ratings Limited is established in the EU and registered under the CRA Regulation and is able to endorse ratings issued from DBRS for use in the EU. Fitch Ratings Limited is established in the EU and registered under the CRA Regulation and is able to endorse ratings issued from Fitch for use in the EU. S&P Global Ratings Europe Limited is established in the EU and registered under the CRA Regulation and is able to endorse ratings issued from Standard & Poor's for use in the EU. Moody's Investors Service Ltd is established in the EU and is registered under the CRA Regulation and is able to endorse the ratings of Moody's for use in the EU.

Tranches of Notes may be rated by any or all of Moody's, Fitch, Standard & Poor's or DBRS or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless: (i) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation; or (ii) the rating is provided by a credit rating agency not established in the EU which is certified under the CRA Regulation. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

***Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.***

*Arranger*
**WELLS FARGO SECURITIES**

*Dealers*

**BARCLAYS**
**DEUTSCHE BANK**

**CREDIT SUISSE**
**WELLS FARGO SECURITIES**

The date of this Base Prospectus is 21 March 2019

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## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus and the relevant Final Terms is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Trustee or any Dealer.

Neither the Dealers nor the Trustee nor any of their respective affiliates have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee nor any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or for any acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes under the Programme. No Dealer or the Trustee nor any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus

or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*" on page 113. In particular, Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. U.S. laws and U.S. Treasury guidance apply to Notes issued in bearer form. Additional provisions that may apply to Notes in bearer form will be described in a Drawdown Prospectus.

This Prospectus together with all documents which are deemed to be incorporated herein (see "*Documents Incorporated by Reference*" on page 22) constitutes a base prospectus ("**Base Prospectus**") for the purposes of Article 5.4 of the Prospectus Directive.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.$50,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of issue of such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to a "**Relevant Member State**" are references to a Member State which has implemented the Prospectus Directive, references to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the single 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, references to "**£**" or "**sterling**" are to the lawful currency for the time being of the United Kingdom, the expression "**Prospectus Directive**" means Directive 2003/71/EC, as amended or superseded and includes any relevant implementing measure in the Relevant Member State.

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

**MiFID II product governance / target market –** The Final Terms or Drawdown Prospectus in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**IMPORTANT – EEA RETAIL INVESTORS -** If the Final Terms or Drawdown Prospectus in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise

made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)** – The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of section 309B(1)(a). Any such legend included in the Final Terms will constitute notice to "relevant persons" for purposes of section 309B(1)(c) of the SFA.

## BENCHMARKS REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms or Drawdown Prospectus will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation. Transitional provisions in the Benchmarks Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms or Drawdown Prospectus. The registration status of any administrator under the Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms or Drawdown Prospectus to reflect any change in the registration status of the administrator.

## STABILISATION

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus and the other documents referred to herein, including information incorporated in them by reference, contain forward-looking statements, which may include the Issuer's forecasts of financial results and condition, the Issuer's expectations for its operations and business, and the Issuer's assumptions for those forecasts and expectations. The Issuer may also make forward-looking statements in other documents filed or furnished with the SEC, the FCA or other regulatory authorities. Forward-looking statements are made by the Issuer when words such as "believe", "expect", "anticipate", "estimate", "project", "forecast", "will", "may", "can" and similar expressions are used. Do not unduly rely on forward-looking statements. Actual results might differ significantly from the Issuer's forecasts and expectations due to several factors. Forward-looking statements speak only as of the date made, and the Issuer does not undertake to update them to reflect changes or events that occur after that date that may affect whether those forecasts and expectations continue to reflect management's beliefs or the likelihood that the forecasts and expectations will be realised.

## OVERVIEW

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference in this Base Prospectus.*

*Words and expressions defined in the "Description of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.*

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| **Issuer:** | Wells Fargo & Company, which is the holding company of a diversified group of financial services companies (the "**Group**"). |
| **Risk Factors:** | Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under "*Risk Factors*" below and include risks relating to the Notes such as there may be no active trading market for the Notes and risks relating to the Issuer and the Group. |
| **Arranger:** | Wells Fargo Securities International Limited |
| **Dealers:** | Wells Fargo Securities International Limited, Wells Fargo Securities, LLC, Barclays Bank PLC, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes. |
| **Trustee, Principal Paying Agent and Transfer Agent:** | Citibank, N.A., London Branch |
| **Registrar:** | Citigroup Global Markets Europe AG |
| **Final Terms or Drawdown Prospectus:** | Notes issued under the Programme may be issued either: (i) pursuant to this Base Prospectus and associated Final Terms; or (ii) pursuant to a Drawdown Prospectus. The terms applicable to any particular Tranche of Notes will be the Description of the Notes as completed by the relevant Final Terms or as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. |
| **Offering:** | Notes will only be offered and sold outside the United States to non-U.S. persons in reliance upon Regulation S under the Securities Act. |
| **Listing and Trading:** | Application has been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange. |
| **Clearing Systems:** | Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms. |
| **Initial Programme Amount:** | Up to U.S.$50,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme at any time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*". |
| **Issuance in Series:** | Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, issue price and the |

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| | amount of the first payment of interest may be different in respect of different Tranches. |
| **Forms of Notes:** | Notes may be issued in bearer form or in registered form. U.S. laws and U.S. Treasury guidance apply to Notes issued in bearer form. Additional provisions that may apply to Notes in bearer form will be described in a Drawdown Prospectus. Notes in bearer form may only be issued to the extent they are classified as being in registered form for US tax purposes.<br><br>Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Bearer Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Bearer Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.<br><br>Each Tranche of Registered Notes will initially be represented by a Global Registered Note and will either be: (i) in the case of a Global Registered Note which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary; or (ii) in the case of a Global Registered Note to be held under the New Safekeeping Structure, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.<br><br>Each Global Registered Note is exchangeable in accordance with its terms for Individual Note Certificates.<br><br>Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. |
| **Currencies:** | Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated. |
| **Status of Notes:** | The applicable Final Terms will specify whether the Notes are Senior Notes or Subordinated Notes.<br><br>Senior Notes will constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer which will at all times rank *pari* |

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| | *passu* among themselves and at least *pari passu* with all other present and future unsecured, unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.<br><br>Subordinated Notes will constitute unsecured, subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The Subordinated Notes are subject in right of payment to the prior payment in full of all Senior Indebtedness of the Issuer as provided in "*Description of the Notes—Status of the Senior Notes and Subordinated Notes—Status and Subordination of Subordinated Notes*".<br><br>**The Notes are unsecured obligations of the Issuer. The Notes are not deposits or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency. Holders of the Notes may be fully subordinated to interests held by the U.S. government in the event the Issuer enters into a receivership, insolvency, liquidation or similar proceeding.** |
| **Issue Price:** | Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. |
| **Maturities:** | Such maturity as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the Bank of England (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant currency.<br><br>Any Notes having a maturity of less than one year must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") by the Issuer. |
| **Redemption:** | Notes will be redeemable at par or as otherwise specified in the relevant Final Terms. |
| **Optional Redemption:** | Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or at the option of the Noteholders to the extent (if at all) specified in the relevant Final Terms. If so specified in the relevant Final Terms, the Issuer may redeem or repurchase the Notes only if it has obtained regulatory consent, if such consent is then required by for the redemption or repurchase of the relevant Notes. |
| **Tax Redemption:** | Early redemption will be permitted for tax reasons as described in "*Description of the Notes—Redemption and Purchase—Redemption for Tax Reasons*". |
| **Negative Pledge:** | None. |
| **Cross Default:** | None. |

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| **Interest:** | Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate, a floating rate or a rate which is linked to movements in one or more rates. The method of calculating interest may vary between the issue date and the maturity date of the relevant Series. |
| **Denominations:** | No Notes may be issued under the Programme with a minimum denomination of less than EUR100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. |
| **Taxation:** | All payments in respect of Notes which are made net of withholding taxes of the United States of America will (subject to the exception and limitations as provided in "*Description of the Notes—Taxation*") be increased by such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required. |
| **Governing Law:** | The Notes and the Indentures are governed by and construed in accordance with the laws of the State of New York, United States; **provided**, **however**, **that** any Tranche that is a reopening of Notes subject to the Trust Deed, and all non-contractual obligations arising out of or in connection with such Notes and the Trust Deed, are governed by English law, except that the subordination provisions contained in Condition 4(b) (*Status of the Senior Notes and Subordinated Notes—Status and Subordination of Subordinated Notes*) thereto shall be governed by and construed in accordance with the laws of the State of New York, United States. |
| **Ratings:** | Notes issued under the Programme may be rated or unrated. A rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, modification or withdrawal at any time. |
| **Selling Restrictions:** | For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the United Kingdom, Japan and Singapore, see "*Subscription and Sale*" below. |

## RISK FACTORS

*Investing in Notes issued under the Programme involves certain risks. The Issuer believes that the factors described below represent the principal risks that may affect its ability to fulfil its obligations under the Notes issued under the Programme which may in turn result in investors losing all or part of the value of their investment in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in, or incorporated by reference in, this Base Prospectus and the applicable Final Terms and reach their own views prior to making any investment decision.*

*Words and expressions defined in the "Description of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

### RISKS RELATING TO THE ISSUER AND ITS BUSINESS

Discussed below are risk factors that could adversely affect the financial results of the Group and the value of and return on the Notes.

#### Holding company structure

The Issuer is the holding company of the Group. Accordingly, substantially all of the assets of the Issuer are comprised of its shareholdings in its subsidiaries. The ability of the Issuer to satisfy payment obligations under the Notes will be dependent upon dividend payments and/or other payments received by the Issuer from other Group subsidiaries. Consequently, creditors of the Issuer will be structurally subordinated to creditors of the Issuer's subsidiaries.

#### Dividend restrictions

The Issuer is a legal entity separate and distinct from its subsidiaries. Substantially all of the funds to pay principal and interest on its debts are dividends and other distributions from its subsidiaries. Various U.S. federal and state statutory provisions and regulations limit the amount of dividends the Issuer's subsidiary banks and certain other subsidiaries may pay without regulatory approval. U.S. federal banking regulators have the authority to prohibit the Issuer's subsidiary banks from engaging in unsafe or unsound practices in conducting their businesses. The payment of dividends could be deemed an unsafe or unsound practice, depending on the financial condition of the bank in question or other facts and circumstances. The ability of the Issuer's subsidiary banks to pay dividends in the future is currently, and could be further, influenced by bank regulatory policies and capital guidelines. In addition, under a Support Agreement (the "**Support Agreement**") dated 28 June 2017 entered into among the Issuer, WFC Holdings, LLC, an intermediate holding company and subsidiary of the Issuer (the "**IHC**"), Wells Fargo Bank, N.A. (the "**Bank**"), Wells Fargo Securities, LLC ("**WFS**") and Wells Fargo Clearing Services, LLC ("**WFCS**"), each an indirect subsidiary of the Issuer, the IHC may be restricted from making dividend payments to the Issuer if certain liquidity and/or capital metrics fall below defined triggers.

#### Transfer of funds from subsidiary banks

The Issuer's subsidiary banks are subject to restrictions under federal law that limit the transfer of funds or certain other items from such subsidiaries to the Issuer and its non-bank subsidiaries (including affiliates) in "covered transactions". In general, covered transactions include loans and other extensions of credit, investments and asset purchases, and certain other transactions involving the transfer of value from a subsidiary bank to an affiliate or for the benefit of an affiliate. Unless an exemption applies, covered transactions by a subsidiary bank with a single affiliate are limited to 10 per cent. of the subsidiary bank's capital and surplus and, with respect to all covered transactions with affiliates in the aggregate, to 20 per cent. of the subsidiary bank's capital and surplus. The Issuer relies on its subsidiaries for funds to satisfy its payment obligations under the Notes. In certain circumstances, U.S. federal banking laws and regulations may restrict the ability of the Issuer's subsidiary banks to transfer such funds to the Issuer.

**Bank holding company**

The Board of Governors of the Federal Reserve System (the "**FRB**") has a policy that a bank holding company is expected to act as a source of financial and managerial strength to each of its subsidiary banks and, under appropriate circumstances, to commit resources to support each such subsidiary bank. This support may be required at times when the bank holding company may not have the resources to provide such support.

The Office of the Comptroller of the Currency (the "**OCC**") has the authority to order an assessment of the Issuer if the capital of one of its national bank subsidiaries were to become impaired. If the Issuer failed to pay the sum resulting from such assessment within three months, the OCC could order the sale of the Issuer's stock in the national bank to cover the deficiency.

**Depositor preference**

In the event of the "liquidation or other resolution" of an insured depository institution, the claims of deposits payable in the United States (including the claims of the Federal Deposit Insurance Corporation (the "**FDIC**") as subrogee of insured depositors) and certain claims for administrative expenses of the FDIC as a receiver will have priority over other general unsecured claims against the institution. If an insured depository institution fails, claims of insured and uninsured U.S. depositors, along with claims of the FDIC, will have priority in payment ahead of unsecured creditors, including the Issuer, and depositors whose deposits are solely payable at such insured depository institution's non-U.S. offices.

**Liability of commonly controlled institutions**

Each of the Group's subsidiary banks are insured by the FDIC. FDIC-insured depository institutions can be held liable for any loss incurred, or reasonably expected to be incurred, by the FDIC due to the default of an FDIC-insured depository institution controlled by the same bank holding company, and for any assistance provided by the FDIC to an FDIC-insured depository institution that is in danger of default and that is controlled by the same bank holding company.

**Fiscal and monetary policies**

The Group's business and earnings are affected significantly by the fiscal and monetary policies of the U.S. federal government and its agencies. The Group is particularly affected by the policies of the FRB, which regulates the supply of money and credit in the United States. The fiscal and monetary policies of the FRB may have a material effect on the Group's business, results of operations and financial condition.

**Current and future legislation**

Economic, financial, market and political conditions during the past few years have led to a significant amount of legislation and regulation affecting the financial services industry in the United States and other jurisdictions outside the United States where the Group conducts business as well as heightened expectations and scrutiny of financial services companies from banking regulators. These laws and regulations may affect the manner in which the Group does business and the products and services it provides, affect or restrict its ability to compete in its current businesses or its ability to enter into or acquire new businesses, reduce or limit its revenue in businesses or impose additional fees, assessments or taxes on it, intensify the regulatory supervision of its business and the financial services industry, and adversely affect its business operations or have other negative consequences. In addition, greater government oversight and scrutiny of financial services companies has increased the Group's operational and compliance costs as it must continue to devote substantial resources to enhancing its procedures and controls and meeting heightened regulatory standards and expectations. Any failure to meet regulatory requirements, standards or expectations could result in fees, penalties or restrictions on the Group's ability to engage in certain business activities or other adverse consequences. Any other future legislation and/or regulation, if adopted, also could change the Group's regulatory environment and increase its cost of doing business, limit the activities the Group may pursue or affect the competitive balance among banks, savings associations, credit unions and other financial services companies, and have a material adverse effect on the Group's financial results and condition. Further information on regulations affecting the Group can be found in the "*Regulatory framework*" and "*Regulatory changes*" sections of this Base Prospectus on pages 87 to and including page 93. For the avoidance of doubt, none of the above statements in this section entitled

"*Current and future legislation*" should be taken to imply that the Issuer will be unable to comply with its obligations as an entity with securities admitted to the Official List of the FCA.

**Risks relating to the economy, financial markets, interest rates and liquidity**

As one of the largest lenders in the U.S. and a provider of financial products and services to consumers and businesses across the U.S. and internationally, the Group's financial results have been, and will continue to be, materially affected by general economic conditions and a deterioration in economic conditions or in the financial markets may materially adversely affect the Group's lending and other businesses and its financial results and condition. Changes in interest rates and financial market values could reduce the Group's net interest income and earnings as well as its other comprehensive income, for example, as a result of recognising losses on the debt and equity securities that it holds in its portfolio or trades for its customers. Effective liquidity management, which ensures that the Group can meet customer loan requests, customer deposit maturities/withdrawals and other cash commitments, including principal and interest payments on the Group's debt, efficiently under both normal operating conditions and other unpredictable circumstances of industry or financial market stress, is essential for the operation of the Group's business, and its financial results and condition could be materially adversely affected if the Group does not effectively manage its liquidity. Adverse changes in the Group's credit ratings could have a material adverse effect on its liquidity, cash flows, financial results and condition.

**Credit risks**

As one of the largest lenders in the U.S., increased credit risk, including as a result of a deterioration in economic conditions or changes in market conditions, could require the Group to increase its provision for credit losses and allowance for credit losses and could have a material adverse effect on the Group's results of operations and financial condition. The Group may have more credit risk and higher credit losses to the extent its loans are concentrated by loan type, industry segment, borrower type or location of the borrower or collateral.

**Risks related to the Group's mortgage business**

The Group's mortgage banking revenue can be volatile from quarter to quarter, including from the impact of changes to interest rates on the Group's origination activity and on the value of its mortgage servicing rights, mortgages held for sale and associated economic hedges, and the Group relies on government-sponsored enterprises to purchase the Group's conforming loans to reduce credit risk and provide liquidity to fund new mortgage loans. The Group may be required to repurchase mortgage loans or reimburse investors and others as a result of breaches in contractual representations and warranties, and the Group may incur other losses as a result of real or alleged violations of statutes or regulations applicable to the origination of residential mortgage loans. The Group may be terminated as a servicer or master servicer, be required to repurchase a mortgage loan or reimburse investors for credit losses on a mortgage loan, or incur costs, liabilities, fines and other sanctions if the Group fails to satisfy its servicing obligations, including its obligations with respect to mortgage foreclosure actions.

**Operational and legal risk**

A failure in or breach of the Group's operational or security systems, controls or infrastructure, or those of its third-party vendors and other service providers could disrupt its businesses, damage its reputation, increase its costs and cause losses. A cyber attack or other information security breach of the Group's technologies, computer systems or networks, or those of its third-party vendors and other service providers, could disrupt its businesses, result in the disclosure or misuse of confidential or proprietary information, damage its reputation, increase its costs and cause losses. The Group's framework for managing risk may not be effective in mitigating its risk and losses. The Group may incur fines, penalties and other negative consequences from regulatory violations, possibly even inadvertent or unintentional violations, or from any failure to meet regulatory standards or expectations.

**Negative publicity**

Reputation risk, or the risk to the Group's earnings and capital from negative public opinion, is inherent to the Group's business and has increased substantially because of the financial crisis and the Group's size and profile in the financial services industry and sales practices-related matters and other instances where other customers may have experienced financial harm. Negative public opinion about the financial services

industry generally or the Group specifically could adversely affect the Group's ability to keep and attract customers and expose it to adverse legal and regulatory consequences. Negative public opinion could result from the Group's actual or alleged conduct in any number of activities, including sales practices; mortgage, automobile, or other consumer lending practices; servicing activities; mortgage foreclosure actions; management of client accounts or investments; lending, investing, or other business relationships; identification and management of potential conflicts of interest from transactions, obligations and interests with and among its customers; corporate governance; regulatory compliance; risk management; incentive compensation practices; disclosure, sharing or inadequate protection or improper use of customer information; and from actions taken by government regulators and community organisations in response to that conduct. Although the Group has policies and procedures in place intended to detect and prevent conduct by team members and third-party service providers that could potentially harm its customers or its reputation, there is no assurance that such policies and procedures will be fully effective in preventing such conduct. Furthermore, the Group's actual or perceived failure to address or prevent any such conduct or otherwise to effectively manage its business or operations could result in significant reputational harm. In addition, because the Group conducts most of its businesses under the "Wells Fargo" brand, negative public opinion about one business also could affect other businesses. Moreover, actions by the financial services industry generally or by certain members or individuals in the industry could adversely affect the Group's reputation. The proliferation of social media websites utilised by the Group and other third parties, as well as the personal use of social media by the Group's team members and others, including personal blogs and social network profiles, also may increase the risk that negative, inappropriate or unauthorised information may be posted or released publicly that could harm the Group's reputation or have other negative consequences, including as a result of its team members interacting with its customers in an unauthorised manner in various social media outlets.

The Group and other financial institutions have been targeted from time to time by protests and demonstrations, which have included disruptions to the operation of the Group's retail banking locations and have resulted in negative public commentary about financial institutions, including the fees charged for various products and services. Wells Fargo and other financial institutions have also been subject to negative publicity as a result of providing financial services to or making investments in industries or organisations subject to stakeholder concerns. There can be no assurance that continued protests or negative publicity for the Group specifically or large financial institutions generally will not harm the Group's reputation and adversely affect its business and financial results.

**Risks relating to legal actions**

The Group is involved in judicial, regulatory, arbitration and other proceedings concerning matters arising from the conduct of business activities. Although the Group believes it has a meritorious defence in all significant legal actions, there can be no assurance as to the ultimate outcome of those proceedings. The Group establishes accruals for legal actions when potential losses associated with the actions become probable and the costs can be reasonably estimated. The Group may still incur costs for a legal action even if it has not established an accrual. In addition, the actual cost of resolving a legal action may be substantially higher than any amounts accrued for that action. The ultimate resolution of a pending legal proceeding or investigation, depending on the remedy sought and granted, could materially adversely affect the Group's results of operations and financial condition.

As noted above, the Group is subject to heightened regulatory oversight and scrutiny, which may lead to regulatory investigations, proceedings or enforcement actions. In addition to imposing monetary penalties and other sanctions, regulatory authorities may require criminal pleas or other admissions of wrongdoing and compliance with other conditions in connection with settling such matters, which can lead to reputational harm, loss of customers, restrictions on the ability to access capital markets, limitations on capital distributions, the inability to engage in certain business activities or offer certain products or services, and/or other direct and indirect adverse effects.

Further information can be found in the "*Material litigation*" section of this Base Prospectus on page 97 to and including page 103.

**Risks related to sales practices and other instances where customers may have experienced financial harm**

Various government entities and offices have undertaken formal or informal inquiries, investigations or examinations arising out of certain sales practices of the Issuer that were the subject of settlements with the

Consumer Financial Protection Bureau, the OCC and the Office of the Los Angeles City Attorney announced by the Issuer on 8 September 2016. In addition to imposing monetary penalties and other sanctions, regulatory authorities may require admissions of wrongdoing and compliance with other conditions in connection with such matters, which can lead to restrictions on the Issuer's ability to engage in certain business activities or offer certain products or services, limitations on the Issuer's ability to access capital markets, limitations on capital distributions, loss of customers and/or other direct and indirect adverse consequences. A number of lawsuits have also been filed by non-governmental parties seeking damages or other remedies related to these sales practices. The ultimate resolution of any of these pending legal proceedings or government investigations, depending on the sanctions and remedy sought and granted, could materially adversely affect the Issuer's results of operations and financial condition. The Issuer may also incur additional costs and expenses in order to address and defend these pending legal proceedings and government investigations, and may incur increased compliance and other costs related to these matters. Furthermore, negative publicity or public opinion resulting from these matters may increase the risk of reputational harm to the Issuer's business, which can impact its ability to keep and attract customers, affect its ability to attract and retain qualified team members, result in the loss of revenue, or have other material adverse effects on the Issuer's results of operations and financial condition. In addition, the ultimate results and conclusions of the Issuer's company-wide review of sales practices are still pending and could lead to an increase in the identified number of potentially impacted customers, additional legal or regulatory proceedings, compliance and other costs, reputational damage, the identification of issues in the Issuer's practices or methodologies that were used to identify, prevent or remediate sales practices-related matters, the loss of additional team members, or further changes in policies and procedures that may impact the Issuer's business.

Furthermore, the Issuer's priority of rebuilding trust has included an ongoing effort to identify other areas or instances where customers may have experienced financial harm. For example, the Group has identified certain issues related to historical practices concerning the origination, servicing and/or collection of consumer automobile loans, including matters related to certain insurance products. The identification of such other areas or instances where customers may have experienced financial harm could lead to, and in some cases has already resulted in, additional remediation costs, loss of revenue or customers, legal or regulatory proceedings, compliance and other costs, reputational damage or other adverse consequences.

**Risks related to the competitive operating environment**

The Group competes with other financial institutions in a highly competitive industry that is undergoing significant changes as a result of financial regulatory reform, technological advances, increased public scrutiny stemming from the financial crisis and current economic conditions. The Group's success depends on its ability to develop and maintain deep and enduring relationships with its customers based on the quality of its customer service, the wide variety of products and services that it can offer its customers and the ability of those products and services to satisfy customers' needs, the pricing of its products and services, the extensive distribution channels available for its customers, its innovation and its reputation. Continued or increased competition in any one or all of these areas may negatively affect the Group's customer relationships, market share and results of operations and/or cause it to increase its capital investment in its businesses in order to remain competitive. In addition, the Group's ability to reposition or reprice its products and services from time to time may be limited and could be influenced significantly by the current economic, regulatory and political environment for large financial institutions as well as by the actions of its competitors. Furthermore, any changes in the types of products and services that the Group offers to its customers and/or the pricing for those products and services could result in a loss of customer relationships and market share and could materially adversely affect the Group's results of operations.

Continued technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and internet-based financial solutions, including electronic securities trading, lending and payment solutions. In addition, technological advances, including digital currencies, may diminish the importance of depository institutions and other financial intermediaries in the transfer of funds between parties. The Group may not respond effectively to these and other competitive threats from existing and new competitors and may be forced to sell products at lower prices, increase its investment in its business to modify or adapt its existing products and services, and/or develop new products and services to respond to its customers' needs. To the extent the Group is not successful in developing and introducing new products and services or responding or adapting to the competitive landscape or to changes in customer preferences, it may lose customer relationships and its revenue growth and results of operations may be materially adversely affected.

**Risks related to the Group's ability to attract and retain qualified team members**

The success of the Group is heavily dependent on the talents and efforts of its team members, including its senior leaders, in many areas of its business, including commercial banking, brokerage, investment advisory, capital markets, risk management and technology, and the competition for highly qualified personnel is intense. The Group also seeks to retain a pipeline of team members to provide continuity of succession for its senior leadership positions. In order to attract and retain highly qualified team members, the Group must provide competitive compensation and effectively manage team member performance and development. As a large financial institution and additionally to the extent the Group remains subject to consent orders, the Group may be subject to limitations on compensation by its regulators that may adversely affect its ability to attract and retain these qualified team members, especially if some of its competitors may not be subject to these same compensation limitations. If the Group is unable to continue to attract and retain qualified team members, including successors for senior leadership positions, its business performance, competitive position and future prospects may be adversely affected.

**Risks related to the Group's financial statements**

Changes in accounting policies or accounting standards, and changes in how accounting standards are interpreted or applied, could materially affect how the Group reports its financial results and condition. The Group's financial statements are based in part on assumptions and estimates which, if wrong, could cause unexpected losses in the future, and the Group's financial statements depend on its internal controls over financial reporting.

**RISK RELATING TO THE NOTES**

**Fixed rate Notes**

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Notes.

**Zero coupon Notes**

Zero coupon Notes do not pay current interest but are issued at a discount from their nominal value. Instead of periodic interest payments, the difference between the redemption price and the issue price constitutes interest income until maturity and reflects the market interest rate. A holder of zero coupon Notes is exposed to the risk that the price of such Notes falls as a result of changes in the market interest rate. Prices of zero coupon Notes are more volatile than prices of fixed rate Notes and are likely to respond to a greater degree to market interest rate changes than interest bearing notes with a similar maturity.

**Variable rate Notes**

Notes with variable interest rates can be volatile investments and their market may be even more volatile than zero coupon Notes or fixed rate Notes.

**Interest determined by reference a formula**

The Issuer may issue Notes with interest determined by reference to a formula. Potential investors should be aware that:

(a) the market price of such Notes may be volatile; and

(b) they may receive no interest.

Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Range Accrual Notes and/or Spread Notes and the suitability of such Notes in light of its particular circumstances.

**Dual Currency Notes**

The Issuer may issue Notes with interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that payment of interest may occur in a different currency than expected.

Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Dual Currency Notes and the suitability of such Notes in light of its particular circumstances.

**Fixed/floating rate Notes**

Fixed/floating rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate or from a floating rate to a fixed rate on a specified date or at the option of the Issuer. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

**Inverse floating rate Notes**

Inverse floating rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR, LIBOR or BBSW. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

**Underlying Rate-Linked Notes**

The Issuer may issue Notes where the interest payable is dependent upon movements in underlying interest rates ("**Underlying Rate-Linked Notes**"). Potential investors in any such Notes should be aware that, depending on the terms of the Underlying Rate-Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in interest rates may be subject to significant fluctuations that may not correlate with changes in other indices and the timing of changes in the interest rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in interest rates, the greater the effect on yield.

Interest rates are determined by various factors which are influenced by macroeconomic, political or financial factors, speculation and central bank and government intervention and may be or become volatile. Fluctuations in interest rates will affect the value of Underlying Rate-Linked Notes. If the amount of interest payable is dependent upon movements in interest rates and is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the interest rates on interest payable will be magnified.

**The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"**

Interest rates and indices which are deemed to be "benchmarks", (including LIBOR, EURIBOR and BBSW) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

The BMR was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The BMR applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The BMR could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. On 27 July 2017, and in a subsequent speech by its Chief Executive on 12 July 2018, the UK Financial Conduct Authority ("**FCA"**) confirmed that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcements**"). The FCA Announcements indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("**ESTER**") as the new risk free rate. ESTER is expected to be published by the ECB by October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

It is not possible to predict with certainty whether, and to what extent, LIBOR, EURIBOR and BBSW will continue to be supported going forwards. This may cause LIBOR, EURIBOR and BBSW to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if LIBOR, EURIBOR or BBSW were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR, EURIBOR or BBSW will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which the LIBOR, EURIBOR or BBSW rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR, EURIBOR or BBSW rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR, EURIBOR or BBSW.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any of the international or national reforms in making any investment decision with respect to any Notes referencing a benchmark.

**Holders of Senior Notes have limited rights of acceleration**

Payment of principal on Senior Notes may be accelerated only in the case of payment defaults that continue for a period of 30 days or certain events of bankruptcy or insolvency, whether voluntary or involuntary.

Holders of Senior Notes will not have the right to declare the principal amount of such Notes to be due and payable upon any other event of default or in any circumstances other than those set forth in the first sentence of this paragraph.

**Holders of Senior Notes could be at greater risk of being structurally subordinated if the Issuer conveys, transfers or leases all or substantially all of its assets to one or more of its subsidiaries**

Under the Senior Indenture, the Issuer may convey, transfer or lease all or substantially all of its assets to one or more of its subsidiaries. In that event, third-party creditors of its subsidiaries would have additional assets from which to recover on their claims while holders of Senior Notes would be structurally subordinated to creditors of its subsidiaries with respect to such assets.

**Subordinated Notes**

The obligations of the Issuer in respect of Subordinated Notes are unsecured and subordinated and will rank junior in right of payment to the claims of holders of Senior Indebtedness (as defined in "*Description of the Notes—Certain definitions*"). Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of its investment should the Issuer become insolvent. In addition, holders of Subordinated Notes may be fully subordinated to interests held by the U.S. government in the event that the Issuer enters into a receivership, insolvency, liquidation or similar proceedings.

**Notes issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining terms of a security, the greater the price volatility as compared to a conventional interest-bearing security with comparable maturity.

**The Notes may be redeemed prior to maturity**

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the relevant Indenture.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

**Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfers, payments and communications with the Issuer**

Notes issued under the Programme may be represented by one or more Global Registered Notes or Global Bearer Notes (as the case may be) (together, the "**Global Notes**"). Such Global Notes will be deposited with a common depositary or, as the case may be, common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes or, in the case of Registered Notes, Individual Note Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or, as the case may be, a common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

**Modification, waivers and substitution**

The Indentures contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Indentures also provide that the Trustee may, in certain circumstances, agree without the consent of Noteholders to the modification of the provisions of Notes including the substitution of another company in place of the Issuer (or any previous substitute of the Issuer).

**Indemnification of the Trustee**

The Indenture contains provisions pursuant to which the Trustee is entitled to be indemnified prior to taking certain actions, including enforcing the rights of Noteholders against the Issuer.

**Credit ratings**

Notes issued under the Programme may be rated or unrated. A credit rating is not a recommendation to buy, hold or sell securities and may be subject to suspension, modification or withdrawal at any time. A reduction in any of the credit ratings of the Issuer may reduce the market value and liquidity of the Notes.

**The resolution of the Issuer under the Orderly Liquidation Authority could result in greater losses for holders of the Notes, particularly if a single point of entry strategy is used**

The ability of the holders of the Notes to recover the full amount that would otherwise be payable on the Notes in a proceeding under the U.S. Bankruptcy Code may be impaired by the exercise by the FDIC of its powers under the "Orderly Liquidation Authority" under Title II of the Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). In particular, the single point of entry strategy described below is intended to impose losses at the top-tier holding company level in the resolution of global systemically important banks ("**G-SIBs**") such as the Issuer.

Title II of the Dodd-Frank Act created a new resolution regime known as the "Orderly Liquidation Authority" to which financial companies, including bank holding companies such as the Issuer, can be subjected. Under the Orderly Liquidation Authority, the FDIC may be appointed as receiver for a financial company for the purposes of liquidating the entity if, upon the recommendation of applicable regulators, the United States Secretary of the Treasury determines, among other things, that the entity is in severe financial distress, that the entity's failure would have serious adverse effects on the U.S. financial system and that resolution under the Orderly Liquidation Authority would avoid or mitigate those effects. Absent such determinations, the Issuer, as a bank holding company, would remain subject to the U.S. Bankruptcy Code.

If the FDIC is appointed as receiver under the Orderly Liquidation Authority, then the Orderly Liquidation Authority, rather than the U.S. Bankruptcy Code, would determine the powers of the receiver and the rights and obligations of creditors and other parties who have transacted with the Issuer. There are substantial differences between the rights available to creditors in the Orderly Liquidation Authority and under the U.S. Bankruptcy Code, including the right of the FDIC under the Orderly Liquidation Authority to disregard the strict priority of creditor claims in some circumstances (which would otherwise be respected by a bankruptcy court) and the use of an administrative claims procedure to determine creditors' claims (as opposed to the judicial procedure utilised in bankruptcy proceedings). In certain circumstances under the Orderly Liquidation Authority, the FDIC could elevate the priority of claims if it determines that doing so is necessary to facilitate a smooth and orderly liquidation without the need to obtain the consent of other creditors or prior court review. In addition, under the Orderly Liquidation Authority, the FDIC has the right to transfer assets or liabilities of the failed company to a third-party or "bridge" entity.

The FDIC has announced that a single point of entry strategy may be desirable to resolve a large financial institution such as the Issuer in a manner that would, among other things, impose losses on shareholders, unsecured debt holders (including, in this case, holders of the Notes) and other creditors of the top-tier

holding company (in this case, the Issuer), while permitting the holding company's subsidiaries to continue to operate. In addition, in December 2016, the FRB finalised rules requiring U.S. G-SIBs, including the Issuer, to maintain minimum amounts of long-term debt and total loss-absorbing capacity ("**TLAC**"). It is possible that the application of the single point of entry strategy—in which the Issuer would be the only legal entity to enter resolution proceedings—could result in greater losses to holders of the Notes than the losses that would result from the application of a bankruptcy proceeding or a different resolution strategy for the Issuer. Assuming the Issuer entered resolution proceedings and that support from the Issuer to its subsidiaries was sufficient to enable the subsidiaries to remain solvent, losses at the subsidiary level could be transferred to the Issuer and ultimately borne by the Issuer's security holders (including holders of the Notes and the Issuer's other unsecured debt securities), with the result that third-party creditors of the Issuer's subsidiaries would receive full recoveries on their claims, while the Issuer's security holders (including holders of the Notes) and other unsecured creditors could face significant losses. In that case, the Issuer's security holders could face significant losses while the third-party creditors of the Issuer's subsidiaries would incur no losses because the subsidiaries would continue to operate and would not enter resolution or bankruptcy proceedings. In addition, the Issuer's security holders (including holders of the Notes) could face losses ahead of the Issuer's other similarly situated creditors in a resolution under the Orderly Liquidation Authority if the FDIC exercised its right, described above, to disregard the strict priority of creditor claims.

The Orderly Liquidation Authority also requires that creditors and shareholders of the financial company in receivership must bear all losses before taxpayers are exposed to any losses, and amounts owed by the financial company in receivership to the U.S. government would generally receive a statutory payment priority over the claims of private creditors, including senior creditors, such as claims in respect of the Notes. In addition, under the Orderly Liquidation Authority, claims of creditors (including holders of the Notes) could be satisfied through the issuance of equity or other securities in a bridge entity to which the Issuer's assets are transferred. If securities were to be delivered in satisfaction of claims, there can be no assurance that the value of the securities of the bridge entity would be sufficient to repay all or any part of the creditor claims for which the securities were exchanged.

While the FDIC has issued regulations to implement the Orderly Liquidation Authority, not all aspects of how the FDIC might exercise this authority are known and additional rulemaking is possible.

**The resolution of the Issuer in a bankruptcy proceeding could also result in greater losses for holders of the Issuer's debt securities, including the Notes**

As required by the Dodd-Frank Act and regulations issued by the FRB and the FDIC, the Issuer is required to provide to the FRB and the FDIC a plan for the Issuer's rapid and orderly resolution in the event of material financial distress affecting the Issuer or the failure of the Issuer. The strategy described in the Issuer's most recently filed resolution plan is a "multiple point of entry" strategy, in which the Issuer, the Bank and WFS would each undergo separate resolution proceedings under the U.S. Bankruptcy Code, the Federal Deposit Insurance Act and the Securities Investor Protection Act, respectively. To further the orderly resolution of its businesses and those of its subsidiaries, the Issuer may provide capital and liquidity resources to certain of its major subsidiaries (such as the Bank and WFS) during any period of distress, including through the forgiveness of intercompany indebtedness, the making of additional intercompany loans and by other means. These subsidiaries may enter into separate resolution proceedings even after receiving capital and liquidity resources from the Issuer. It is possible that creditors of some or all of the Issuer's major subsidiaries would receive significant, or even full, recoveries on their claims while holders of the Issuer's debt securities (including holders of the Notes) could face significant or complete losses. It is also possible that holders of the Issuer's debt securities (including holders of the Notes) could face greater losses than if the multiple point of entry strategy had not been implemented and the Issuer had not provided capital and liquidity resources to major subsidiaries that enter separate resolution proceedings because assets and other resources provided to those subsidiaries would not be available to pay the Issuer's creditors (including holders of the Notes and the Issuer's other debt securities).

For its next resolution plan submission, the Issuer has made a decision to move to a single point of entry strategy in which the Issuer would be resolved under the U.S. Bankruptcy Code using a strategy in which only the Issuer itself enters proceedings while some or all of its operating subsidiaries are maintained as going concerns. In this case, the effects on creditors of the Issuer would likely be similar to those arising under the Orderly Liquidation Authority, as described above. The Issuer is not obligated to maintain either a single point of entry or multiple point of entry strategy in the event of its actual resolution, whether conducted under the U.S. Bankruptcy Code or by the FDIC under the Orderly Liquidation Authority. To

carry out such a single point of entry strategy, the Issuer may seek to recapitalise its subsidiaries or provide them with liquidity in order to preserve them as going concerns prior to the commencement of the Issuer's bankruptcy proceeding. Moreover, the Issuer could seek to elevate the priority of its guarantee obligations relating to its major subsidiaries' derivatives contracts over its other obligations, so that cross-default and early termination rights under derivatives contracts at its subsidiaries would be stayed under the International Swaps and Derivatives Association Resolution Stay Protocol. This elevation would result in holders of the Issuer's debt securities (including holders of the Notes) incurring losses ahead of the beneficiaries of those guarantee obligations. It is also possible that holders of the Issuer's debt securities (including holders of the Notes) could incur losses ahead of other similarly situated creditors.

In response to the regulators' guidance and to facilitate the orderly resolution of the Issuer using a multiple point of entry resolution strategy, the Issuer entered into the Support Agreement. Pursuant to the Support Agreement, the Issuer transferred a significant amount of its assets, including the majority of its cash, deposits, liquid securities and intercompany loans (but excluding its equity interests in its subsidiaries and certain other assets), to the IHC and will continue to transfer those types of assets to the IHC from time to time. In the event of the Group's material financial distress or failure that triggers resolution, the IHC will be obligated to use the transferred assets to provide capital and/or liquidity to the Bank pursuant to the Support Agreement and to WFS and WFCS through repurchase facilities entered into in connection with the Support Agreement. Under the Support Agreement, the IHC will provide funding and liquidity to the Issuer through subordinated notes and a committed line of credit which, together with the issuance of dividends, is expected to provide the Issuer, during business as usual operating conditions, with the same access to cash necessary to service its debts, pay dividends, repurchase its shares, and perform its other obligations as it would have had if it had not entered into these arrangements and transferred any assets. Pursuant to the Support Agreement and the terms of the subordinated note, if certain liquidity and/or capital metrics fall below defined triggers indicating severe financial distress, the subordinated notes would be automatically forgiven and the committed line of credit would terminate, which could materially and adversely impact the Issuer's liquidity and its ability to satisfy its debts and other obligations, including under the Notes, and could result in the commencement of bankruptcy proceedings by the Issuer at an earlier time than might have otherwise occurred if the Support Agreement were not implemented. The Issuer's and the IHC's respective obligations under the Support Agreement are secured pursuant to a related security agreement.

If either resolution strategy proved to be unsuccessful, holders of the Issuer's debt securities (including holders of the Notes) may as a consequence be in a worse position than if the strategy had not been implemented. In all cases, any payments to holders of the Issuer's debt securities are dependent on the Issuer's ability to make such payments and are therefore subject to the Issuer's credit risk.

## RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk and legal investment risk.

### The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

### Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes (as appropriate) in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the

value of the Investor's Currency relative to the Specified Currency would decrease: (1) the Investor's Currency-equivalent yield on the Notes; (2) the Investor's Currency-equivalent value of the principal payable on the Notes; and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents (excluding all information incorporated by reference in any such documents either expressly or implicitly) which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the FCA or filed with it, shall be deemed to be incorporated in, and to form part of, this Base Prospectus.

A. The audited financial statements (including the notes and the auditors' report in respect thereof) of the Issuer for the financial year ended 31 December 2018 as set out on pages 139 to 279 in the 2018 Annual Report to Stockholders of the Issuer.

B. The audited financial statements (including the notes and the auditors' report in respect thereof) of the Issuer for the financial year ended 31 December 2017 as set out on pages 139 to 275 in the 2017 Annual Report to Stockholders of the Issuer.

C. The 2019 Proxy Statement of the Issuer pursuant to Section 14(a) of the Securities Exchange Act of 1934 dated 13 March 2019.

D. The 2018 Proxy Statement of the Issuer pursuant to Section 14(a) of the Securities Exchange Act of 1934 dated 14 March 2018.

E. The terms and conditions as set out in pages 23 to 45 of the base prospectus dated 18 December 2009 relating to the Programme under the heading "*Terms and Conditions of the Notes*".

F. The terms and conditions as set out in pages 25 to 46 of the base prospectus dated 2 June 2011 relating to the Programme under the heading "*Terms and Conditions of the Notes*".

G. The terms and conditions as set out in pages 26 to 51 of the base prospectus dated 5 April 2012 relating to the Programme under the heading "*Terms and Conditions of the Notes*".

H. The terms and conditions as set out in pages 20 to 51 of the base prospectus dated 16 April 2013 relating to the Programme under the heading "*Terms and Conditions of the Notes*".

I. The terms and conditions as set out in pages 23 to 57 of the base prospectus dated 11 April 2014 relating to the Programme under the heading "*Terms and Conditions of the Notes*".

J. The terms and conditions, described in the section entitled "*Description of the Notes*" as set out in pages 20 to 56 of the base prospectus dated 10 March 2015 relating to the Programme.

K. The terms and conditions, described in the section entitled "*Description of the Notes*" as set out in pages 20 to 61 of the base prospectus dated 7 March 2016 relating to the Programme.

L. The terms and conditions, described in the section entitled "*Schedule*" as set out in pages 13 and 14 of the drawdown prospectus dated 25 January 2017.

M. The terms and conditions, described in the section entitled "*Description of the Notes*" as set out in pages 25 to 65 of the base prospectus dated 16 March 2018 relating to the Programme.

The financial information incorporated by reference above is available as follows:

| **Information Incorporated by Reference** | **Reference** |
|---|---|
| ***Financial Performance Report for the year ended 31 December 2018*** | |
| Consolidated Income Statement | Page 139 |
| Consolidated Statement of Comprehensive Income | Page 140 |
| Consolidated Balance Sheet | Page 141 |
| Consolidated Statement of Changes in Equity | Pages 142-145 |
| Consolidated Statement of Cash Flows | Page 146 |
| Notes to the Consolidated Financial Statements | Pages 147-278 |
| Auditors' Report | Page 279 |
| ***Financial Performance Report for the year ended 31 December 2017*** | |
| Consolidated Income Statement | Page 139 |
| Consolidated Statement of Comprehensive Income | Page 140 |
| Consolidated Balance Sheet | Page 141 |
| Consolidated Statement of Changes in Equity | Pages 142 |

| Information Incorporated by Reference | Reference |
|---|---|
| Consolidated Statement of Cash Flows | Page 146 |
| Notes to the Consolidated Financial Statements | Pages 147-274 |
| Auditors' Report | Page 275 |

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

If any documents incorporated by reference in this Base Prospectus itself incorporates any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Base Prospectus.

Save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication, or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus may be inspected, free of charge, at the specified office in London of the Principal Paying Agent. In addition, such documents will be available free of charge on the Issuer's website at http://www.wellsfargo.com/invest_relations/annual and/or on the website of the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or, as the case may be, a Drawdown Prospectus, for use in connection with any subsequent issue of Notes.

The Issuer has undertaken to the Dealers in the Dealer Agreement to comply with section 87G of the FSMA.

## FINAL TERMS, DRAWDOWN PROSPECTUSES AND SUPPLEMENTS

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus. Such information will be contained in the relevant Final Terms, unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus.

For each Tranche of Notes the Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms applicable to any particular Tranche of Notes are the terms of the relevant Indenture as completed to the extent described in the relevant Final Terms.

In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## FORMS OF NOTES

### Bearer Notes

Each Tranche of Notes in bearer form will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Bearer Note**") which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

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

The relevant Final Terms will also specify if United States Treasury Regulation 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 183 days, that the TEFRA D Rules are not applicable. Notes issued by the Issuer with a maturity of more than 183 days (including unilateral rights to rollover or extend), must be issued pursuant to the TEFRA D Rules in the form of Temporary Global Notes exchangeable for Permanent Global Notes or Definitive Notes, as described below. In the case of Notes issued by the Issuer, where the Notes have a maturity of 183 days (including unilateral rights to rollover or extend) or less, such Notes must (i) have a face or principal amount of not less than U.S.$500,000 (as determined based on the spot rate on the date of issuance, if denominated in a currency other than the U.S. dollar), (ii) be issued in accordance with the TEFRA D Rules, other than the certification requirement thereof, and (iii) have on their face a legend to the following effect:

"By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code and the regulations thereunder)."

Notes in bearer form may only be issued to the extent they are classified as being in registered form for US tax purposes.

### Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, from the 40$^{th}$ day after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and

(ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided**, **however**, **that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

**Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are not applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Notes in definitive form ("**Definitive Notes**") from the 40th day after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes from the 40th day after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

For the avoidance of doubt, if Notes are to be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof as specified in the relevant Final Terms, the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

**Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, at a Noteholder's request, or if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if (a) 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 legal holidays) or announces an intention permanently to cease business or does in fact do so and no other clearing system acceptable to the Trustee is then in existence or (b) any of the circumstances described in "*Description of the Notes—Events of Default—Senior Notes*" or "*Description of the Notes—Events of Default—Subordinated Notes* "occurs.

For the avoidance of doubt, Notes will only be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof if the relevant Final Terms specifies in "Form of Notes" that the Permanent Global Note is exchangeable only "in the limited circumstances described in the Permanent Global Note" in accordance with paragraph (iii) above.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount

equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

Notes with a maturity of more than 183 days (including unilateral rights to rollover or extend) may not be issued in the form "Permanent Global Note Exchangeable for Definitive Notes".

**Legend concerning United States persons**

In the case of any Tranche of Notes having a maturity of more than 183 days (including unilateral rights to rollover or extend), the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

**Registered Notes**

Each Tranche of Registered Notes will be initially represented by a global Note in registered form (a "**Global Registered Note**"), which will be exchangeable in accordance with its terms for duly authorised and completed individual note certificates in registered form ("**Individual Note Certificates**").

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the NSS would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations"* of the Eurosystem, subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Registered Note", then if: (a) 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 legal holidays) or announces an intention permanently to cease business or does in fact cease to do so and no other clearing system acceptable to the Trustee is then in existence; or (b) any of the circumstances described in "*Description of the Notes—Events of Default—Senior Notes*" or "*Description of the Notes—Events of Default—Subordinated Notes*" occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the

principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Indenture and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

## DESCRIPTION OF THE NOTES

*This section describes the material terms, conditions and provisions of the Notes to which any Final Terms may relate. The particular terms of the Notes offered will be described in the Final Terms and in such Notes and the extent, if any, to which the general provisions described below may apply to those Notes. You can find the definitions of certain terms used in this description under the subheading "Certain Definitions". Capitalised terms used but not defined in this section have the meanings given to them elsewhere in this Base Prospectus, in the relevant Final Terms or in the relevant Indenture (as each term is defined herein), as the case may be. The following is a description of the terms and conditions of the notes which, as supplemented, modified or replaced in relation to any Notes of any series by applicable Final Terms, and as set forth in the Senior Indenture or the Subordinated Indenture (as each term is defined herein), as the case may be, will be applicable to each series of the Notes.*

### General

The Senior Notes will be offered under the Senior Indenture and the Subordinated Notes will be offered under the Subordinated Indenture.

The Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the relevant Indenture applicable to them.

Notes issued under the Programme are issued in Series and each Series may comprise one or more Tranches of Notes. Each Tranche is the subject of a Final Terms that supplements this "*Description of the Notes*". The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All references in this "*Description of the Notes*" to "Notes" are to the Notes that are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing during normal business hours and copies may be obtained from the Specified Office(s) of the Paying Agent(s), the initial Specified Office of Principal Paying Agent being set out herein.

The Notes are limited to an aggregate principal amount of up to U.S.$50,000,000,000 outstanding at any time. This includes, in the case of Notes denominated in one or more other currencies or composite currencies, the equivalent thereof in U.S. dollars calculated at the exchange rate contained in the H.10 release (or its successor) published by the U.S. Federal Reserve Board (the "**Market Exchange Rate**"). The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

The Notes will mature on the Maturity Date indicated in the relevant Final Terms and may be subject to redemption or early repayment at the option of the Issuer or Noteholders, all as further described in the section entitled "*—Redemption and Purchase*".

Each note will be denominated in U.S. dollars or in another currency specified in the applicable Final Terms. For a further discussion, see "*—Payments*".

**The Notes are unsecured obligations of the Issuer. The Notes are not deposits or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation, the Deposit Insurance Fund or any other governmental agency. Holders of the Notes may be fully subordinated to interests held by the U.S. government in the event the Issuer enters into a receivership, insolvency, liquidation or similar proceeding.**

### Status of Senior Notes

The Senior Notes (being those Notes that specify their status in the relevant Final Terms as being "Senior") (the "**Senior Notes**") will constitute direct, general, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

**Status and Subordination of Subordinated Notes – General**

The Subordinated Notes (being those Notes that specify their status in the relevant Final Terms as being "Subordinated") (the "**Subordinated Notes**") will be subordinate to all of the Issuer's existing and future Senior Indebtedness.

**Subordinated Notes – Subordination**

If certain events in bankruptcy, insolvency or reorganisation occur, the Issuer will first pay all Senior Indebtedness, including any interest accrued after the events occur, in full before the Issuer makes any payment or distribution, whether in cash, securities or other property, on account of the principal of or interest on the Subordinated Notes. In such an event, the Issuer will pay or deliver directly to the holders of Senior Indebtedness any payment or distribution otherwise payable or deliverable to holders of the Subordinated Notes. The Issuer will make the payments to the holders of Senior Indebtedness according to priorities existing among those holders until the Issuer has paid all Senior Indebtedness, including accrued interest, in full. Notwithstanding the subordination provisions discussed in this paragraph, the Issuer may make payments or distributions on the Subordinated Notes so long as:

(i) the payments or distributions consist of securities issued by the Issuer or another company in connection with a plan of reorganisation or readjustment; and

(ii) payment on those securities is subordinate to outstanding Senior Indebtedness and any securities issued with respect to Senior Indebtedness under such plan of reorganisation or readjustment at least to the same extent provided in the subordination provisions of the Subordinated Notes.

If such events in bankruptcy, insolvency or reorganisation occur, after the Issuer has paid in full all amounts owed on Senior Indebtedness, the holders of Subordinated Notes, together with the holders of any of the Issuer's other obligations ranking equal with those Subordinated Notes, will be entitled to receive from the Issuer's remaining assets any principal, premium or interest due at the time on the Subordinated Notes and such other obligations before the Issuer makes any payment or other distribution on account of any of the Issuer's capital stock or obligations ranking junior to those Subordinated Notes.

If the Issuer violates the Senior Indenture by making a payment or distribution to holders of the Subordinated Notes before the Issuer has paid all of the Senior Indebtedness in full, then such holders of the Subordinated Notes will be deemed to have received the payments or distributions in trust for the benefit of, and will have to pay or transfer the payments or distributions to, the holders of the Senior Indebtedness outstanding at the time. The payment or transfer to the holders of the Senior Indebtedness will be made according to the priorities existing among those holders. Notwithstanding the subordination provisions discussed in this section, holders of Subordinated Notes will not be required to pay, or transfer payments or distributions to, holders of Senior Indebtedness so long as:

(i) the payments or distributions consist of securities issued by the Issuer or another company in connection with a plan of reorganisation or readjustment; and

(ii) payment on those securities is subordinate to outstanding Senior Indebtedness and any securities issued with respect to Senior Indebtedness under such plan of reorganisation or readjustment at least to the same extent provided in the subordination provisions of those Subordinated Notes.

Because of the subordination, if the Issuer becomes insolvent, holders of Senior Indebtedness may receive more, rateably, and holders of the Subordinated Notes having a claim pursuant to those securities may receive less, rateably, than the Issuer's other creditors.

**Form, Denomination and Title**

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

***Bearer Notes***

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. No Bearer Notes may be issued under the Programme that have a minimum denomination of less than EUR100,000 (or its equivalent in another currency). In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

***Registered Notes***

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms. No Registered Notes may be issued under the Programme that have a minimum denomination of less than EUR100,000 (or its equivalent in another currency).

The Registrar will maintain a register (the "**Register**") in accordance with the provisions of the Indentures. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number that will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

Subject to the third and fourth succeeding paragraphs, a Registered Note may be transferred in whole or in part upon surrender of the relevant Note Certificate, or the relevant part of the Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided**, **however**, **that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

Within 10 business days of the surrender of a Note Certificate in accordance with the preceding paragraph (or such longer period as may be required to comply with any fiscal or other laws or regulation), the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes (or the relevant part of the Note Certificate(s)) transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In the case of the transfer of part only of an Individual Note Certificate, a new Individual Note Certificate in respect of the balance of the Registered Note transferred will be delivered or (at the request and risk of any such relevant Holder) sent to the transferor. In this paragraph, "business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or such Transfer Agent (as the case may be) may require in respect of any tax or other duty of whatsoever nature that may be levied or imposed in connection with such transfer.

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the relevant Indenture. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Transfer Agent. A copy of

the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

***Global Notes***

In relation to any Tranche of Bearer Notes represented by a Global Note, references in this Description of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a classic Global Note, or a common safekeeper, in the case of a new Global Note, for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Registered Notes represented by a Global Registered Note, references in this Description of the Notes to "Noteholder" are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Bearer Note or Global Registered Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of the Global Note or Global Registered Note.

*Exchange of Temporary Global Notes*

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of a new Global Note, effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

*Exchange of Permanent Global Notes*

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with

Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

*Exchange of Global Registered Notes*

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within 30 business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the relevant Indenture and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

*Conditions applicable to Global Bearer Notes and Global Registered Notes*

The following is a summary of certain provisions of the Indentures as they apply to a Global Bearer Note or Global Registered Note.

All payments in respect of the Global Bearer Note or Global Registered Note that require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Bearer Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Bearer Note, the Issuer shall procure that in respect of a classic Global Note the payment is noted in a schedule thereto and in respect of a new Global Note the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg. On each occasion on which a payment of principal or interest is made in respect of a Global Registered Note, the Issuer shall procure that in respect of a Global Registered Note that is not held under the NSS that the payment is recorded by the Registrar and that in respect of a Global Registered Note held under the NSS that payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

In the case of a Global Note, the Payment Business Day shall be: (i) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or (ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

In order to exercise the option described in "*—Redemption and Purchase—Redemption at the Option of the Noteholders*" the bearer of the Permanent Global Note or the holder of the Global Registered Note must, within the period specified in the relevant Indenture for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

In connection with an exercise of the option described in "*—Redemption and Purchase—Redemption at the Option of the Issuer*" in relation to only some of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the relevant Indenture and the Notes to be redeemed will not be selected as provided in such Indenture but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Notwithstanding anything to the contrary in the Indentures, while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note or a Global Registered Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with the relevant Indenture on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

**Payments**

***Bearer Notes***

Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London).

Payments of interest shall, subject to the second succeeding paragraph, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in the preceding paragraph.

Payments of principal or interest may be made at the Specified Office of a Paying Agent in the United States only if: (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Bearer Notes in the currency in which the payment is due when due; (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and (iii) payment is permitted by applicable United States law, without involving, in the opinion of the Issuer, any adverse tax consequences to the Issuer.

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by the preceding paragraph).

Save as provided below under "—*Taxation*", payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its respective Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

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

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

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

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

Each sum of principal so deducted shall be paid in the manner provided in the first paragraph of this section against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

If the relevant Final Terms specifies that unmatured Coupons are void or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Bearer Note or early redemption in whole of such Bearer Note pursuant to "*—Redemption and Purchase—Redemption for Tax Reasons*", "*—Redemption and Purchase—Redemption at the Option of the Noteholders*", "*—Redemption and Purchase—Redemption at the Option of the Issuer*", "*—Events of Default—Senior Notes*" or "*—Events of Default—Subordinated Notes* ", all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to "*—Prescription*" below. Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note shall become void and no Coupon will be delivered in respect of such Talon.

***Registered Notes***

Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent, the Registrar or a Transfer Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent, the Registrar or a Transfer Agent.

Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent, the Registrar or a Transfer Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to

which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent, the Registrar or a Transfer Agent.

Save as provided below under "—*Taxation*", payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Issuer or its respective Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations or agreements. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed: (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from: (A) the due date for a payment not being a Payment Business Day; or (B) a cheque mailed in accordance herewith arriving after the due date for payment or being lost in the mail.

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

**Taxation**

The Issuer shall, subject to the exceptions and limitations set forth below, pay to the holder of any Note or Coupon who is a United States Alien such additional amounts as may be necessary so that every net payment of principal of, or interest on, such Note or Coupon, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed by the United States (or any political subdivision or any authority thereof or therein having power to tax), will not be less than the amount provided in such Note or in such Coupon to be then due and payable. However, the Issuer will not be required to make any payment of additional amounts for or on account of:

(i) any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner:

  (A) having a relationship with the United States as a citizen, resident, or otherwise,

  (B) having had such a relationship in the past, or

  (C) being considered as having had such a relationship;

(ii) any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner:

  (A) being treated as present in or engaged in a trade or business in the United States,

  (B) being treated as having been present in or engaged in a trade or business in the United States in the past,

  (C) having or having had a permanent establishment in the United States, or

(D) having or having had a qualified business unit which has the United States dollar as its functional currency;

(iii) any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being or having been a (as each term is defined in the United States Internal Revenue Code):

(A) personal holding company,

(B) foreign personal holding company,

(C) foreign private foundation or other foreign exempt organisation,

(D) passive foreign investment company,

(E) controlled foreign corporation, or

(F) corporation which has accumulated taxable income to avoid United States federal income tax;

(iv) any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner owning or having owned, actually or constructively, 10 per cent. or more of the total combined voting power of all classes of the Issuer's stock entitled to vote;

(v) any tax, assessment, or other governmental charge that is imposed or withheld solely by reason of the beneficial owner being a bank that has invested in the Note or Coupon as an extension of credit in the ordinary course of business;

(vi) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the failure of the beneficial owner or any other person to comply with applicable certification, identification, documentation, or other information reporting requirements including, in the case of Registered Notes, the failure of the beneficial owner or any other person to provide a valid United States Internal Revenue Form W-8BEN or W-8BEN-E or substitute or successor form, or other certification of non-U.S. status;

(vii) any tax, assessment, or other governmental charge that is collected or imposed by any method other than by withholding from a payment on the Note or Coupon by the Issuer or the paying agent;

(viii) any tax, assessment, or other governmental charge that is imposed or withheld by reason of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

(ix) any tax, assessment, or other governmental charge that is imposed or withheld by reason of the presentation by the beneficial owner for payment more than 30 days after the date on which such payment becomes due or is duly provided for, whichever occurs later;

(x) any:

(A) estate tax,

(B) inheritance tax,

(C) gift tax,

(D) sales tax,

(E) excise tax,

(F) transfer tax,

(G) wealth tax,

(H) personal property tax, or

(I) any similar tax, assessment, withholding, deduction or other governmental charge;

(xi) any tax, withholding, assessment or other governmental charge that is required to be paid or withheld from any payment under United States Internal Revenue Code sections 1471 through 1474 (or any amended or successor provisions) and any regulations or official interpretations thereof or any law, agreement or regulations implementing an intergovernmental approach thereto; or

(xii) any tax, withholding, assessment or other governmental charge that is required to be paid or withheld from any payment under United States Internal Revenue Code section 871 (or any amended or successor provisions) and any regulations or official interpretations thereof as a result of any payment being considered a "dividend equivalent" payment;

(xiii) any combination of items (i) through (xii), above;

nor shall additional amounts be paid with respect to any payment of principal on a Note or Coupon to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note or Coupon.

In addition, if a transaction or events involving the Issuer shall occur in which the Issuer or a successor corporation is not organised or existing under the laws of the United States or in which the Issuer or a successor corporation becomes a resident of a country other than the United States, the Issuer shall pay to the holder of any Note or Coupon such additional amounts as may be necessary so that every net payment of principal of, or interest on, such Note or Coupon, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the jurisdiction ("**Successor Jurisdiction**") in which the Issuer or any successor corporation is organised or existing or the Issuer becomes resident (or any political sub-division or taxing authority hereof or therein) will not be less than the amount provided in such Note or Coupon to be then due and payable, **provided that** such additional amounts need not be paid in the circumstances set forth in paragraphs (i) to (xiii) inclusive above.

**Interest and Interest Rates**

Save as specified in the Final Terms, the Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided above under "*Payments—Bearer Notes*" and "*Payments—Registered Notes*", as the case may be. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance herewith (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day that is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

**Fixed Rate Note Provisions**

Subject in respect of Dual Currency Notes or Reverse Dual Currency Notes to the provisions in respect of Dual Currency/Reverse Dual Currency Notes, if the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Fixed Coupon Amount is applicable, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

Subject in respect of Dual Currency Notes or Reverse Dual Currency Notes to the provisions in respect of Dual Currency/Reverse Dual Currency Notes and in respect of Range Accrual Notes to the provisions in respect of Range Accrual Note Provisions, the amount of interest payable in respect of each Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded

upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

**Floating Rate Note Provisions**

Interest on Floating Rate Notes will be determined in the manner set forth in the applicable Final Terms, which may, as described below, include:

- Screen Rate Determination;
- CMS Rate Determination;
- CMT Rate Determination; or
- ISDA Rate Determination.

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. Subject in respect of Dual Currency Notes or Reverse Dual Currency Notes to the provisions in respect of Dual Currency/Reverse Dual Currency Notes and in respect of Range Accrual Notes to the provisions in respect of Range Accrual Note Provisions, the Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes hereof by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

If the Calculation Agent fails at any time to determine a Rate of Interest or to calculate an Interest Amount, the Trustee may determine such Rate of Interest and make such determination or calculation which shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply all of the provisions of the relevant Indenture with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances and will not be liable for any loss, liability,

cost, charge or expense which may arise as a result thereof. Any such determination or calculation made by the Trustee shall be binding on the Issuer, the Noteholders and the Couponholders.

Unless otherwise specified in the applicable Final Terms, the Calculation Agent shall determine the Rate of Interest in accordance with the following provisions:

***Screen Rate Determination***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent (after consultation with the Issuer) at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

***CMS Rate Determination for CMS Rate Notes***

If "CMS Rate Determination" is specified in the relevant Final Terms as the manner in which Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to such Notes (the "**CMS Rate Notes**") for each Interest Period will be the sum of the Margin and the CMS Rate (or the rate as determined in accordance with the provisions below) or, if a Margin Multiplier is specified in the relevant Final Terms, the sum of: (a) the Margin; and (b) the CMS Rate (or the rate as determined in accordance with the provisions below) multiplied by the Margin Multiplier, as determined by the Calculation Agent.

If the CMS Rate does not appear on the Relevant Screen Page at or around the Relevant Time, the Calculation Agent shall determine a percentage on the basis of the mid-market semi-annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m. in the Principal Financial Centre of the Specified Currency (or in respect of CMS Notes which are also Reverse Dual Currency Notes, the Equivalent Currency), on the relevant Interest Determination Date. The Calculation Agent will request the

principal office in the Principal Financial Centre of the Specified Currency (or in respect of Reverse Dual Currency Notes, the Equivalent Currency) of each of the Reference Banks to provide a quotation of its rate, and

(i) if at least three quotations are provided, the rate for that Interest Determination Date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); and

(ii) if fewer than three quotations are provided, the Calculation Agent will determine the rate in its sole discretion.

For the purposes hereof,

"**CMS Floating Leg Rate**" means the Floating Rate Option (as defined in the ISDA Definitions) specified as such in the relevant Final Terms with a Designated Maturity (as defined in the ISDA Definitions) of three months;

"**CMS Rate**" means the CMS Reference Rate which appears on the Relevant Screen Page at or around the Relevant Time on the relevant Interest Determination Date;

"**CMS Reference Rate**" means the Rate Option (as defined in the ISDA Definitions) specified as such in the relevant Final Terms with a Designated Maturity (as defined in the ISDA Definitions) as specified in the relevant Final Terms;

"**Reference Banks**" means five leading swap dealers selected by the Calculation Agent (after consultation with the Issuer) in the relevant interbank market;

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at or around the Relevant Time as determined by the Calculation Agent in its sole discretion; and

"**semi-annual swap rate**" means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on basis of the relevant Day Count Fraction, of a fixed-for-floating Specified Currency (or in respect of Reverse Dual Currency Notes, the Equivalent Currency) interest rate swap transaction with a term equal to the Designated Maturity specified in the relevant Final Terms commencing on that Interest Determination Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on basis of the CMS Day Count Fraction, is equivalent to the CMS Floating Leg Rate.

***CMT Rate Determination for CMT Rate Notes***

If CMT Rate Determination is specified in the relevant Final Terms as the manner in which Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to such Notes (the "**CMT Rate Notes**") for each Interest Period will be the sum of the Margin and the CMT Rate (or the rate as determined in accordance with the provisions below) or, if a Margin Multiplier is specified in the relevant Final Terms, the sum of: (a) the Margin; and (b) the CMT Rate (or the rate as determined in accordance with the provisions below) multiplied by the Margin Multiplier, as determined by the Calculation Agent where:

"**CMT Rate**" is the rate displayed on the Designated CMT Reuters Page under the caption "... Treasury Constant Maturities... Federal Reserve Board Release H.15... Mondays Approximately 3:45 p.m.," under the column for the Designated CMT Maturity Index:

(i) if the Designated CMT Reuters Page is FRBCMT on the relevant Interest Determination Date; and

(ii) if the Designated CMT Reuters Page is FEDCMT, the weekly or the monthly average, as may be specified in the relevant Final Terms, ending immediately preceding the week or month (as the case may be) in which the relevant Interest Determination Date occurs.

If the rate cannot be determined as described above, the following procedures will be followed:

(i) if the CMT Rate is no longer displayed on the relevant page, or if not displayed by 3:00 p.m., New York City time, on the relevant calculation date, then the rate will be the Treasury Constant Maturity rate for the Designated CMT Maturity Index as published in the relevant H.15(519);

(ii) if the rate described in clause (i) above is no longer published, or if not published by 3:00 p.m., New York City time, on the relevant calculation date, then the rate will be the Treasury Constant Maturity rate for the Designated CMT Maturity Index or other U.S. Treasury rate for the Designated CMT Maturity Index on the relevant Interest Determination Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Reuters Page and published in the relevant H.15(519);

(iii) if the information described in clause (ii) above is not provided by 3:00 p.m., New York City time, on the relevant calculation date, then the Calculation Agent will determine the rate to be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 p.m., New York City time, on the relevant Interest Determination Date, reported, according to their written records, by three Reference Banks selected by the Calculation Agent as described below. The Calculation Agent will select five Reference Banks, after consultation with the Issuer, and will eliminate the highest quotation or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for the most recently issued direct non-callable fixed rate obligations of the United States (the "**Treasury notes**") with an original maturity of approximately the Designated CMT Maturity Index, a remaining term to maturity of no more than one year shorter than that Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time. If two Treasury notes with an original maturity as described above have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury note with the shorter remaining term to maturity will be used;

(iv) if the Calculation Agent cannot obtain three Treasury notes quotations as described in clause (iii) above, the Calculation Agent will determine the rate to be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 p.m., New York City time, on the relevant Interest Determination Date of three Reference Banks, selected using the same method described in clause (iii) above, for Treasury notes with an original maturity equal to the number of years closest to but not less than the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time;

(v) if three or four, and not five, of the Reference Banks are quoting as described above, then the rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of those quotes will be eliminated; and

(vi) if fewer than three Reference Banks selected by the Calculation Agent are quoting as described above, the rate for the relevant Interest Determination Date will remain the rate for the immediately preceding Interest Period, or, if none, the rate will be the Initial Interest Rate as specified in the relevant Final Terms.

For the purposes hereof,

"**Designated CMT Reuters Page**" means the display on Reuters, or any successor service, on the page designated in the relevant Final Terms or any other page as may replace that page on that service for the purpose of displaying treasury constant maturities as reported in H.15(519). If no page is specified in the relevant Final Terms, the Designated CMT Reuters Page will be FEDCMT, for the most recent week;

"**Designated CMT Maturity Index**" means the original period to maturity of the U.S. Treasury securities, which is either 1, 2, 3, 5, 7, 10, 20 or 30 years, as specified in the relevant Final Terms, for which the rate will be calculated. If no maturity is specified in the relevant Final Terms, the Designated CMT Maturity Index will be two years; and

"**Reference Banks**" means leading primary U.S. government securities dealers in New York, New York, which may include the underwriters or agents for the debt securities or their affiliates.

***ISDA Rate Determination***

If ISDA Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be

the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

***Maximum or Minimum Rate of Interest***

If any Maximum Rate of Interest or Minimum Rate of Interest is specified as being applicable in the relevant Final Terms, then if any applicable Rate of Interest for an Interest Period would but for this paragraph be: (a) greater than the Maximum Rate of Interest it shall be the Maximum Rate of Interest so specified; or (b) less than the Minimum Rate of Interest it shall be the Minimum Rate of Interest so specified.

***Rate Multiplier***

If any Rate Multiplier is specified in the relevant Final Terms, then the Reference Rate, average of Reference Rates, CMS Rate, CMT Rate, ISDA Rate or Spread Rate (as applicable) shall be multiplied by the Rate Multiplier stated to be applicable.

***Highest Rate Notes and Lowest Rate Notes***

If Highest Rate Notes or Lowest Rate Notes is specified as being applicable in the relevant Final Terms, then the Rate of Interest applicable for an Interest Period shall be: (a) in the case of Highest Rate Notes, the highest of the Rates of Interest; or (b) in the case of Lowest Rate Notes, the lowest of the Rates of Interest in each case specified in the Final Terms.

***Step-up Notes***

If Step-up Notes is specified as being applicable in the relevant Final Terms: (a) in the case of fixed rate Notes, the Rate of Interest; or (b) in the case of Floating Rate Notes, the Margin, applicable for an Interest Period shall be that which is specified in the applicable Final Terms.

***Spread Notes***

If Spread Notes is specified as being applicable in the relevant Final Terms, the Rate of Interest applicable to such Notes for each Interest Period will be the sum of the Margin and the Spread Rate, where the Spread Rate is determined by the Calculation Agent on the following basis:

$$\text{Spread Rate} = (\text{A} - \text{B})$$

(where "A" and "B" each have the meaning specified in the applicable Final Terms).

***Knock–in and Knock-out Notes***

(i) If "Knock-in Notes" is specified as applicable in the applicable Final Terms, then:

(A) the Calculation Agent shall determine (in accordance with the method specified herein, (x) for each Knock-in Valuation Date or (y) in respect of any Knock-in Determination Period, whether a Knock-in Event has occurred; and

(B) Payments of interest with respect to an Interest Payment Date shall be conditional upon the occurrence of a Knock-in Event (a) on the Knock-in Valuation Date immediately preceding such Interest Payment Date or (b) during the relevant Knock-in Determination

Period for such Interest Payment Date **provided that** if "Digital Coupon" is specified as being applicable in the relevant Final Terms, the amount of interest payable with respect to such Interest Payment Date shall be the relevant "Digital Coupon Amount" specified in the Final Terms.

Where:

"**Knock-in Event**" means that the Rate of Interest is: (A) either (a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Knock-in Level; in each case as specified in the applicable Final Terms or (B) within the Knock-in Range (x) on a Knock-in Valuation Date or (y) in respect of any Knock-in Determination Period, as specified in the applicable Final Terms.

"**Knock-in Determination Period**" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date, in each case as specified in the relevant Final Terms.

"**Knock-in Level**" means with respect to a Knock-in Valuation Date or a Knock-in Determination Period, the level specified in the relevant Final Terms.

"**Knock-in Range**" means with respect to a Knock-in Valuation Date or a Knock-in Determination Period, the range specified in the relevant Final Terms.

"**Knock-in Valuation Date**" means each date specified as such in the relevant Final Terms.

(ii) If "Knock-out Notes" is specified as applicable in the applicable Final Terms, then:

(A) the Calculation Agent shall determine (in accordance with the method specified herein (x) for each Knock-out Valuation Date or (y) in respect of any Knock-out Determination Period, whether a Knock-out Event has occurred;

(B) Payments of interest with respect to an Interest Payment Date shall be conditional upon no Knock-out Event having occurred (a) on the Knock-out Valuation Date immediately preceding such Interest Payment Date or (b) during the relevant Knock-out Determination Period for such Interest Payment Date **provided that** if "Digital Coupon" is specified as being applicable in the relevant Final Terms, the amount of interest payable with respect to such Interest Payment Date shall be the relevant "Digital Coupon Amount" specified in the Final Terms.

Where:

"**Knock-out Event**" means that the Rate of Interest is: (A) (a) "greater than", (b) "greater than or equal to", (c) "less than" or (d) "less than or equal to" the Knock-out Level; in each case as specified in the applicable Final Terms or (B) within the Knock-out Range (x) on a Knock-out Valuation Date or (y) in respect of any Knock-out Determination Period, as specified in the applicable Final Terms.

"**Knock-out Determination Period**" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date, in each case as specified in the relevant Final Terms.

"**Knock-out Level**" means with respect to a Knock-out Valuation Date or a Knock-out Determination Period, the level specified in the relevant Final Terms.

"**Knock-out Range**" means with respect to a Knock-out Valuation Date or a Knock-out Determination Period, the range specified in the relevant Final Terms.

"**Knock-out Valuation Date**" means each date specified as such in the relevant Final Terms.

**Switch Option**

If so specified in the relevant Final Terms, the Issuer may, at its option (the "**Switch Option**") elect to switch the interest payable in respect of the Notes from:

(i) in the case of Fixed Rate Notes, interest calculated by reference to a fixed Rate of Interest to interest calculated by reference to a floating Rate of Interest (as described above); or

(ii) in the case of Floating Rate Notes, interest calculated by reference to a floating Rate of Interest to interest calculated by reference to a fixed Rate of Interest.

The Issuer may exercise the Switch Option only once during the term of the Notes. It may determine not to exercise the Switch Option.

The Issuer may exercise the Switch Option on any Business Day falling within any period specified as a "Switch Exercise Period" (the "**Switch Exercise Period**") in the Final Terms. The last day of each Switch Exercise Period shall be a date falling not less than the number of Business Days specified as the "Switch Notice Period Number" of Business Days in the Final Terms (which shall not be less than five Business Days) preceding the Interest Payment Date for such Switch Exercise Period. The Final Terms will specify which Interest Payment Date (the "**Switch Date**") corresponds to each Switch Exercise Period.

Upon exercise of the Switch Option:

(i) in respect of Fixed Rate Notes, as at the Switch Date the Notes will be deemed to (A) no longer be Fixed Rate Notes and so stop accruing interest at the fixed Rate of Interest as at (but excluding) the last day of the Interest Calculation Period ending on or around the Switch Date and (B) become Floating Rate Notes and so start accruing interest at the floating Rate of Interest from (and including) the Interest Calculation Period beginning on or around the Switch Date in accordance with the Indenture; or

(ii) in respect of Floating Rate Notes, as at the Switch Date the Notes will be deemed to (A) no longer be Floating Rate Notes and so stop accruing interest at the Rate of Interest as at (but excluding) the last day of the Interest Calculation Period ending on or around the Switch Date and (B) become Fixed Rate Notes and so start accruing at the fixed Rate of interest from (and including) the Interest Calculation Period beginning on or around the Switch Date in accordance with the relevant Indenture.

**Zero Coupon Note Provisions**

If the Zero Coupon Note provisions are specified in the relevant Final Terms as being applicable and the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

**Dual Currency/Reverse Dual Currency Note Provisions**

***Dual Currency Notes***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable for such Interest Period in respect of each Note to which Dual Currency Note Provisions are applicable (the "**Dual Currency Notes**"). The Interest Amount will be calculated:

(i) in respect of Fixed Rate Notes for which a Fixed Coupon Amount is specified, by applying the Rate of Exchange to the Fixed Coupon Amount and rounding the resulting Equivalent Currency amount to the nearest sub-unit of the Equivalent Currency (half a sub-unit being rounded upwards), and

(ii) in respect of any other Dual Currency Notes, by applying the Rate of Interest (as determined in accordance with the provisions of the relevant Final Terms) for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards), applying the Rate of Exchange and multiplying the resulting Equivalent Currency amount by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

If the Rate of Exchange does not appear on the Dual Currency Relevant Screen Page at the Dual Currency Relevant Time, the Rate of Exchange for the relevant Interest Payment Date will be determined by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

For the purposes hereof:

"**Dual Currency Relevant Screen Page**" means the page, section or other part of a particular information service (including, but not limited to, Reuters and Bloomberg), as may be specified as the Dual Currency Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other 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 Rate of Exchange;

"**Dual Currency Relevant Time**" has the meaning given in the relevant Final Terms; and

"**Rate of Exchange**" means the bid spot exchange rate for the Specified Currency/Equivalent Currency which appears on the Dual Currency Relevant Screen Page at or around the Dual Currency Relevant Time on the Pricing Date specified in the relevant Final Terms, as determined by the Calculation Agent.

***Reverse Dual Currency Notes***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable for such Interest Period in respect of each Note to which Reverse Dual Currency Note Provisions are applicable (the "**Reverse Dual Currency Notes**"). The Interest Amount will be calculated:

(i) in respect of Fixed Rate Notes for which a Fixed Coupon Amount is specified, by applying the Rate of Exchange to the Equivalent Currency Fixed Coupon Amount and rounding the resulting Specified Currency amount to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards); and

(ii) in respect of any other Reverse Dual Currency Notes, by applying the Rate of Interest (as determined in accordance with the provisions of the relevant Final Terms) for such Interest Period to the Equivalent Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Equivalent Currency (half a sub-unit being rounded upwards), applying the Rate of Exchange and multiplying the resulting Specified Currency amount by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

If the Rate of Exchange does not appear on the Reverse Dual Currency Relevant Screen Page at the Reverse Dual Currency Relevant Time, the Rate of Exchange for the relevant Interest Payment Date will be determined by the Calculation Agent in its sole discretion acting in a commercially reasonable manner.

For the purposes hereof:

"**Reverse Dual Currency Relevant Screen Page**" means the page, section or other part of a particular information service (including, but not limited to, Reuters and Bloomberg), as may be specified as the Reverse Dual Currency Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other 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 Rate of Exchange;

"**Reverse Dual Currency Relevant Time**" has the meaning given in the relevant Final Terms; and

"**Rate of Exchange**" means the bid spot exchange rate for the Equivalent Currency/Specified Currency which appears on the Reverse Dual Currency Relevant Screen Page at or around the Reverse Dual Currency Relevant Time on the Pricing Date specified in the relevant Final Terms, as determined by the Calculation Agent.

**Range Accrual Note Provisions**

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable for such Interest Period in respect of each Note to which Range Accrual Note Provisions are applicable (the "**Range Accrual Notes**"). Subject in respect of Dual Currency Notes or Reverse Dual Currency Notes to the provisions in respect of Dual Currency/Reverse Dual Currency Notes, the Interest Amount will be calculated by applying the Range Accrual Rate for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

For the purposes hereof:

"**Accrual Factor**" means the actual number of London business days during each Interest Period in which the Reference Rate is equal to or greater than the Lower Barrier and less than or equal to the Upper Barrier, divided by the actual number of London business days in the relevant Interest Period;

"**Lower Barrier**" means *n* per cent. as specified in the relevant Final Terms, **provided that** if Lower Barrier is specified in the Final Terms as being Not Applicable, there shall be no Lower Barrier applicable in respect of the Range Accrual Reference Rate;

"**Range Accrual Rate**" means the Relevant Rate multiplied by the Accrual Factor;

"**Range Accrual Reference Rate**" means the rate specified as such in the relevant Final Terms which appears on the Relevant Screen Page at or around the Relevant Time on the relevant day during the Interest Period, **provided, however, that** (i) if the Range Accrual Reference Rate cannot be determined on any London business day during the Interest Period, the Range Accrual Reference Rate for such day shall be the Range Accrual Reference Rate as determined on the preceding London business day on which the Range Accrual Reference Rate could be determined, and (ii) if "Fixed Range Accrual Reference Rate" is specified as applicable in the relevant Final Terms, the Range Accrual Reference Rate for each London business day shall be the Range Accrual Reference Rate as determined on such relevant Interest Determination Date;

"**Relevant Rate**" shall mean any of (i) the rate specified in the Fixed Rate provisions of the relevant Final Terms, (ii) the rate specified in the Floating Rate provisions of the relevant Final Terms or (ii) such other relevant rate as may be specified in the relevant Final Terms as applicable and as calculated by the Calculation Agent in accordance with the terms and fixed on the dates specified in the relevant Final Terms; and

"**Upper Barrier**" means *n* per cent. as specified in the relevant Final Terms, **provided that** if Lower Barrier is specified in the Final Terms as being Not Applicable, the Upper Barrier shall be unlimited.

In this paragraph, "London business day" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in London.

**Redemption and Purchase**

***General***

The Final Terms relating to a series of notes will indicate either that such notes cannot be redeemed prior to Maturity, other than for tax reasons (as set forth below), or the terms on which the notes will be redeemable prior to Maturity at the option of the Issuer or (in the case of Senior Notes only) the holder of the notes. Notice of redemption shall be provided as set forth below under the section entitled "*—Notices*".

Unless previously redeemed, or purchased and cancelled in accordance with "*—Redemption and Purchase—Cancellation*", the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in "*—Payments—Bearer Notes*" and "*—Payments—Registered Notes*".

The Issuer shall not otherwise be entitled to redeem the Notes except as provided in "*—Redemption and Purchase—Redemption at the Option of the Issuer*", "*—Redemption and Purchase—Partial Redemption*", and "*—Redemption and Purchase—Redemption at the Option of the Noteholders*" below.

***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being not applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in "*—Taxation*" as a result of any change in, or amendment to, the tax laws or regulations of the United States (or any Successor Jurisdiction, as applicable) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

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

**provided**, **however**, **that** no such notice of redemption shall be given earlier than:

(1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this section, the Issuer shall deliver to the Trustee (A) a certificate signed by two authorised officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or has or will become obliged to make such withholding or deduction as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (A) and (B) above, in

which event it shall be binding on the Noteholders. Upon the expiry of any such notice as is referred to in this section, the Issuer shall be bound to redeem the Notes in accordance with this section.

***Redemption at the Option of the Issuer***

If Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders and the Trustee, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

***Partial Redemption***

If the Notes are to be redeemed in part only on any date in accordance with "*—Redemption and Purchase—Redemption at the Option of the Issuer*", in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in "*—Redemption and Purchase—Redemption at the Option of the Issuer*" shall specify the serial numbers of the Notes so to be redeemed and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

***Repayment at the Option of the Noteholders***

If Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this paragraph, the holder of a Note must, not less than 15 nor more than 30 days before the relevant Optional Redemption Date (Put), or such other period(s) as may be specified in the relevant Final Terms, deposit with any Paying Agent, in the case of Bearer Notes, or with the Registrar or any Transfer Agent, in the case of Registered Notes, such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent or, as the case may be, Registrar or Transfer Agent. The Paying Agent or, as the case may be, Registrar or Transfer Agent with which such Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this paragraph, may be withdrawn; **provided**, **however**, **that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or, as the case may be, Registrar or Transfer Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent or, as the case may be, Registrar or Transfer Agent in accordance with this paragraph, the depositor of such Note and not such Paying Agent or, as the case may be, Registrar or Transfer Agent shall be deemed to be the holder of such Note for all purposes. In the case of the redemption of part only of an Individual Note Certificate pursuant to this paragraph, a new Individual Note Certificate in respect of the balance of the Registered Note not redeemed early will be delivered or sent (at the request and risk of such Holder) to the relevant Holder.

***Early Redemption of Zero Coupon Notes***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this paragraph or, if none is so specified, a Day Count Fraction of 30E/360.

***Purchase***

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 Coupons are purchased therewith.

***Cancellation***

The Issuer or any of its Subsidiaries may at its option retain any Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them for its own account and/or resell or cancel or otherwise deal with the same at its discretion.

***Hedging Disruption***

If "Redemption for Hedging Disruption" is specified as applicable in the relevant Final Terms and the Calculation Agent determines that a Hedging Disruption Event has occurred, the Issuer may redeem the Notes by giving notice to the Noteholders in accordance with "*—Notices*". If the Notes are so redeemed the Issuer will pay an amount to each Noteholder in respect of each Note held by him, which amount shall be the fair market value of a Note taking into account the Hedging Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any related underlying hedging arrangements all as determined by the Calculation Agent in its sole and absolute discretion **provided that** in no case shall this value be less than the principal amount outstanding with respect to such Note. Payments will be made in such manner as shall be notified to the Noteholders in accordance with "*—Notices*".

***Restriction on Early Redemption or repurchase of the Notes***

If so specified in the relevant Final Terms, the Issuer may redeem or repurchase the Notes only if it has obtained regulatory consent, if such consent is then required by for the redemption or repurchase of the relevant Notes.

Where:

"**Change in Law**" means that, on or after the Issue Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), 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 or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines in its sole and absolute discretion that:

(i) it is unable to perform its obligations in respect of the Notes or it has become illegal to hold, acquire or dispose of any relevant hedge positions in respect of the Notes; or

(ii) it or any of its affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes.

"**Hedging Disruption**" means that the Issuer and/or any of its affiliates 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) or any futures or options contract(s) it deems necessary to hedge its exposure with respect to the Notes, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or options contract(s) or any relevant hedge positions relating to the Notes.

"**Hedging Disruption Event**" means each of Change in Law, Hedging Disruption and Increased Cost of Hedging.

"**Increased Cost of Hedging**" means that the Issuer and/or any of its affiliates 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 (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, foreign exchange risk and interest rate 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 any of its affiliates shall not be deemed an Increased Cost of Hedging.

**Events of Default — Senior Notes**

An "**Event of Default**", with respect to Senior Notes of a particular Series, means any of the following events (whatever the reason for such Event of Default and whether it be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) ***Non-payment of interest****:*

default in the payment of any interest upon any Senior Note or Coupon, if any, when it becomes due and payable, and continuance of such default for a period of 30 days; or

(ii) ***Non-payment of principal****:*

default in the payment of the principal of (or premium, if any, on) any Senior Note on the due date for payment thereof, and continuance of such default for a period of 30 days; or

(iii) ***Breach of other obligations***:

the Issuer does not comply in all material respects with any of its other obligations under or in respect of the Senior Notes or the Senior Indenture and such failure to comply continues unremedied for 90 days after written notice thereof has been delivered by the Trustee to the Issuer; or

(iv) ***Involuntary Insolvency etc****.:*

the entry by a court having jurisdiction of (A) a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable United States Federal or State bankruptcy, insolvency or similar law or (B) a decree or order adjudging the Issuer bankrupt or insolvent, or approving a petition seeking receivership, insolvency or liquidation of or in respect of the Issuer under any applicable United States Federal or State law, or appointing a receiver, liquidator, trustee or similar official of the Issuer, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(v) ***Voluntary Insolvency etc****.:*

the commencement by the Issuer of a voluntary case or proceeding under any applicable United States Federal or State bankruptcy, insolvency or similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, the appointment of a receiver for the Issuer under any applicable United States Federal or State bankruptcy, insolvency or similar law following consent by the Board of Directors of the Issuer to such appointment, or the entry of a decree or order for relief in respect of the Issuer in an involuntary case or proceeding under any applicable United

States Federal or State bankruptcy, insolvency, receivership, liquidation or similar law following the Issuer's consent to such decree or order.

If an Event of Default specified in paragraph (i), (ii), (iv) or (v) of the definition of Event of Default as set forth, with respect to Senior Notes of any Series at the time outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25 per cent. in principal amount of the outstanding Notes of any such Series may by a notice in writing to the Issuer (and to the Trustee if given by the Holders), declare the Notes to be immediately due and payable at their Early Termination Amount together with accrued interest (if any) **provided that** such Event of Default shall not have occurred as a result of the Issuer withholding or refusing to make a payment: (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, a relevant paying agent, registrar or Holder; or (ii) (subject as set out in the Senior Indenture) in the case of doubt as to the validity or applicability of any such law, regulation or order in accordance with advice as to such validity or applicability given at any time during the said period of 14 days by independent legal advisors acceptable to the Trustee. Any amounts withheld with respect to (i) or (ii) above shall be placed in an interest bearing deposit and if subsequently it shall be or become lawful to make payment of such withheld amount, payment of the withheld amount will be made no later than 7 days after the earliest date upon which the interest bearing deposit falls or may (without penalty) be called for repayment. The withheld amount or the relevant part thereof, together with the accrued interest thereon from, and including, the date the same was placed on deposit to, but excluding, the date upon which such interest bearing deposit was repaid, shall be repaid to the Holders. If the Issuer withholds payment in reliance on provisos (i) or (ii) above where the relevant law, regulation or order proves subsequently not to be valid or applicable, such withholding shall be treated, for the purposes of ascertaining entitlement to accrued interest but not for any other purpose as if it had been at all times an improper withholding or refusal. Any Event of Default specified in paragraph (iii) of the definition of Event of Default as set forth will not be subject to acceleration of maturity by the Trustee or the holders of the outstanding Notes, without prejudice to any other rights and remedies that may be exercised upon the occurrence of an Event of Default.

At any time after such an acceleration or declaration of acceleration with respect to Notes of any Series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided, the Holders of a majority in principal amount of the outstanding Notes of that Series, by written notice to the Issuer and the Trustee, may rescind and annul such acceleration or declaration of acceleration and its consequences if:

(a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

  (i) all overdue interest, if any, on all Notes of that Series;

  (ii) the principal of and premium, if any, on any Notes of that Series that have become due other than by such acceleration or declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Notes;

  (iii) to the extent that payment of such interest is lawful, interest upon any overdue interest at the rate or rates prescribed therefor in such Notes; and

  (iv) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(b) all Events of Default with respect to Notes of that Series, other than the non-payment of the principal of and accrued interest on Notes of that Series that have become due solely by such acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Upon such an acceleration or receipt by the Trustee of any written notice declaring such an acceleration or rescission and annulment thereof, as the case may be, with respect to Notes of a Series all or part of which is represented by a Global Note, a record date shall be established for

determining Holders of outstanding Notes of such Series entitled to join in such notice, which record date shall be at the close of business on the day of such acceleration or the day that the Trustee receives such notice, as the case may be. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; **provided, that** unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be cancelled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new written notice of declaration of acceleration, or rescission or annulment, as the case may be, which has been cancelled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established.

**Events of Default — Subordinated Notes**

If either of the following events (each an "**Event of Default**") with respect to any Series of Subordinated Notes occurs and is continuing:

(i) ***Involuntary insolvency etc.***:

the entry by a court having jurisdiction of (A) a decree or order for relief in respect of the Issuer in an involuntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or (B) a decree or order appointing a receiver for the Issuer, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(ii) ***Voluntary insolvency etc.***:

the commencement by the Issuer of a voluntary case under the United States Federal bankruptcy laws, as now or hereafter constituted, or the entry of a decree or order for relief in an involuntary case under any such law following the Issuer's consent to such decree or order, or the appointment of a receiver for the Issuer under any applicable U.S. Federal bankruptcy, insolvency or similar law following consent by the board of directors of the Issuer,

then the Trustee or the Holders of not less than 25 per cent. in principal amount of the outstanding Notes of any such Series may by notice in writing to the Issuer (and to the Trustee if given by the Holders), declare the Notes to be immediately due and payable at their Early Termination Amount together with accrued interest (if any) **provided that** such Event of Default shall not have occurred as a result of the Issuer withholding or refusing to make a payment (i) in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, a relevant paying agent, registrar or Holder or (ii) (subject as set out in the Subordinated Indenture) in the case of doubt as to the validity or applicability of any such law, regulation or order in accordance with advice as to such validity or applicability given at any time during the said period of 14 days by independent legal advisors acceptable to the Trustee. Any amounts withheld with respect to (i) or (ii) above shall be placed in an interest bearing deposit and if subsequently it shall be or become lawful to make payment of such withheld amount, payment of the withheld amount will be made no later than 7 days after the earliest date upon which the interest bearing deposit falls or may (without penalty) be called for repayment. The withheld amount or the relevant part thereof, together with the accrued interest thereon from, and including, the date the same was placed on deposit to, but excluding, the date upon which such interest bearing deposit was repaid, shall be repaid to the Holders. If the Issuer withholds payment in reliance on provisos (i) or (ii) above where the relevant law, regulation or order proves subsequently not to be valid or applicable shall be treated, for the purposes of ascertaining entitlement to accrued interest but not for any other purpose as if it had been at all times an improper withholding or refusal.

At any time after such an acceleration or declaration of acceleration with respect to Notes of any Series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided, the Holders of a majority in principal amount of the outstanding Notes of that Series, by written notice to the Issuer and the Trustee, may rescind and annul such acceleration or declaration of acceleration and its consequences if

(a) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(i) all overdue interest, if any, on all Notes of that Series;

(ii) the principal of and premium, if any, on any Notes of that Series that have become due other than by such acceleration or declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Notes;

(iii) to the extent that payment of such interest is lawful, interest upon any overdue interest at the rate or rates prescribed therefor in such Notes; and

(iv) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(b) all Events of Default with respect to Notes of that Series, other than the non-payment of the principal of and accrued interest on Notes of that Series that have become due solely by such acceleration, have been cured or waived.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Upon such an acceleration or receipt by the Trustee of any written notice declaring such an acceleration or rescission and annulment thereof, as the case may be, with respect to Notes of a Series all or part of which is represented by a Global Note, a record date shall be established for determining Holders of outstanding Notes of such Series entitled to join in such notice, which record date shall be at the close of business on the day of such acceleration or the day that the Trustee receives such notice, as the case may be. The Holders on such record date, or their duly designated proxies, and only such Persons, shall be entitled to join in such notice, whether or not such Holders remain Holders after such record date; **provided, that** unless such declaration of acceleration, or rescission and annulment, as the case may be, shall have become effective by virtue of the requisite percentage having joined in such notice prior to the day which is 90 days after such record date, such declaration of acceleration, or rescission and annulment, as the case may be, shall automatically and without further action by any Holder be cancelled and of no further effect. Nothing in this paragraph shall prevent a Holder, or a proxy of a Holder, from giving, after expiration of such 90-day period, a new written notice of declaration of acceleration, or rescission or annulment, as the case may be, which has been cancelled pursuant to the proviso to the preceding sentence, in which event a new record date shall be established.

**Judgments**

Under current New York law, a state court in the State of New York rendering a judgment in respect of a note denominated in other than U.S. dollars would be required to render such judgment in the Specified Currency, and such judgment would be converted by the relevant court into the U.S. dollar at the prevailing rate on the date of entry of such judgment. Accordingly, the holder of such note denominated in other than U.S. dollars would be subject to exchange rate fluctuations between the date of entry of a judgment in a currency other than U.S. dollars and the time the amount of such judgment is paid to such holder in U.S. dollars and converted by such holder into the Specified Currency. It is not certain, however, whether a non-New York state court would follow the same rules and procedures with respect to conversions of judgments in currency other than U.S. dollars.

The Issuer will indemnify the holder of any note against any loss incurred by such holder as a result of any judgment or order being given or made for any amount due under such note and such judgment or order requiring payment in a currency (the "**Judgment Currency**") other than the Specified Currency, and as a result of any variation between (i) the rate of exchange at which the Specified Currency amount is converted into the Judgment Currency for the purpose of such judgment or order, and (ii) the rate of exchange at which the holder of such note, on the date of payment of such judgment or order, is able to purchase the Specified Currency with the amount of the Judgment Currency actually received by such holder, as the case may be.

**Consolidation, Merger and Sale or Lease of Assets**

Without prejudice to "—Substitution", the Issuer may not, without the consent of the Noteholders, or the Couponholders, consolidate with or merge into any other corporation or convey, transfer or lease its properties and assets substantially as an entirety to any Person (hereinafter called the "**Successor Corporation**") other than any such conveyance, transfer or lease to one or more of its Subsidiaries, unless:

(i) the Successor Corporation formed by such consolidation or into which the Issuer is merged or the Person that acquires by conveyance or transfer, or that leases, the properties and assets of the Issuer substantially as an entirety shall be a corporation organised and existing under the laws of the United States, any political subdivision thereof or any State thereof and shall expressly assume, by a supplemental indenture ("**Supplemental Indenture**"), executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of (and premium, if any) and interest (including all additional amounts, if any) on all Notes and relevant Coupons and the performance of every covenant of the relevant Indenture on the part of the Issuer to be performed or observed;

(ii) immediately after giving effect to such transaction, no Event of Default, and no event that, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(iii) the Issuer has delivered to the Trustee an Officer's Certificate stating that such consolidation, merger, conveyance, transfer or lease and such Supplemental Indenture comply with this paragraph and that all conditions precedent herein provided for relating to such transaction have been met.

Upon any consolidation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entirety to any Person pursuant to the requirements of paragraphs (i), (ii) and (iii) above, the Successor Corporation shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the relevant Indenture with the same effect as if such Successor Corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the Issuer (which term for this purpose shall mean the Person named as the "Issuer" herein or any previous Successor Corporation) shall be relieved of all obligations and covenants under the relevant Indenture and the Notes and relevant Coupons.

**Substitution**

The Issuer may, without the consent of the Trustee, the Noteholders or the Couponholders, substitute for itself any other body corporate incorporated in any country in the world and which is a subsidiary, subsidiary undertaking or the holding company of the Issuer or another subsidiary of any such holding company in place of the Issuer as the principal debtor in respect of the Notes (hereinafter called the "**Substituted Obligor**") upon notice by the Issuer and the Substituted Obligor to be given in accordance with the section entitled "*—Notices*" if:

(i) an indenture is executed or some other written form of undertaking is given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the relevant Indenture, the Notes, and the Coupons as fully as if the Substituted Obligor had been named in such Indenture and on the Notes and the Coupons as the principal debtor in place of the Issuer (or of any previous substitute under this paragraph);

(ii) the Issuer and the Substituted Obligor execute such other deeds, documents and instruments (if any) as may be required in order that the substitution is fully effective;

(iii) an unconditional and irrevocable guarantee in form and substance satisfactory to the Trustee shall have been given by the Issuer of the obligations of the Substituted Obligor under the relevant Indenture and the Notes;

(iv) (a) the Substituted Obligor has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes and the Coupons in place of the Issuer (or such previous substitute as aforesaid), (b) the Issuer has obtained all governmental and regulatory approvals and consents necessary for the guarantee to be fully effective as referred to in sub-clause (iii) and (c) such approvals and consents are at the time of substitution in full force and effect;

(v) without prejudice to the generality of the preceding sub-clauses of this paragraph, where the Substituted Obligor is incorporated, domiciled or resident in or is otherwise subject generally to the taxing jurisdiction of any territory or any political sub-division thereof or any authority of or in such territory having power to tax (the "**Substituted Territory**") other than or in addition to the territory, the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the "**Issuer's Territory**"), the Substituted Obligor will give to the Trustee an undertaking in form and manner satisfactory to the Trustee in terms corresponding to the terms of "*Taxation*" above with the substitution for the reference therein to the Issuer's Territory of references to the Substituted Territory and in such event the relevant Indenture, the Notes and the Coupons will be interpreted accordingly; and

(vi) Moody's Investors Service, Inc. and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, have confirmed in writing to the Trustee that the substitution of the Substituted Obligor will not result in (i) in respect of any Series of Notes that is not specifically rated by any rating agency, a downgrading of the then current credit rating of any rating agency applicable to the class of debt represented by the Notes or (ii) in respect of any Series of Notes which is specifically rated by any rating agency, a downgrading of the then current credit rating applicable to such Series of Notes by such rating agency.

In connection with any proposed substitution of the Issuer or any previous substitute, the Trustee shall, at the direction of the Substituted Obligor and without the consent of the Noteholders or the Couponholders agree to a change of the law from time to time governing the Notes and the Coupons and the relevant Indenture; **provided that** such changes of law, in the opinion of the Issuer, would not be materially prejudicial to the interests of the Noteholders.

In connection with any proposed substitution, the Issuer shall not have regard to, or be in any way liable for, the consequences of such substitution for individual Noteholders or the Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. No Noteholder or Couponholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such individual Noteholders or Couponholders. The Trustee shall be entitled to receive and rely absolutely upon an opinion of counsel and an Officer's Certificate of the Issuer stating that the conditions precedent to any such substitution have been met.

Any substitution pursuant to the first paragraph of this section shall, if so expressed, operate to release the Issuer (or such previous substitute as aforesaid) from any or all of its obligations as principal debtor under the Notes and the relevant Indenture (but without prejudice to its liabilities under any guarantee given pursuant to clause (iii) of such paragraph). Not later than 14 days after the execution of any such documents as aforesaid and after compliance with the said requirements of the Indenture, the Substituted Obligor shall cause notice thereof to be given to the Noteholders.

Upon the execution of such documents and compliance with the said requirements, the Substituted Obligor shall be deemed to be named in the relevant Indenture, the Notes and the Coupons as the principal debtor in place of the Issuer (or of any previous substitute hereunder) and the relevant Indenture, the Notes and the Coupons shall thereupon be deemed to be amended in such manner as shall be necessary to give effect to the substitution and without prejudice to the generality of the foregoing any references to the Issuer in the relevant Indenture, the Notes and the Coupons shall be deemed to be references to the Substituted Obligor.

**Prescription**

Claims for principal shall become void unless the claims in respect of the relevant Notes are made within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the claims in respect of the relevant Coupons are made within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the Relevant Date.

**Modification and Amendment**

Each of the Indentures contain provisions permitting the relevant Issuer and the Trustee (i) without the consent of the holders of any notes issued under the relevant Indenture, to execute supplemental indentures

for certain enumerated purposes, such as to cure any ambiguity or inconsistency or to make any change that does not have a materially adverse effect on the rights of any holder of such notes, and (ii) with the consent of the holders as evidenced by an Extraordinary Resolution passed at a meeting held in accordance with the relevant Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the relevant Indenture or of modifying in any manner the rights of holders of any such note under the relevant Indenture; **provided**, **however**, **that** supplemental indentures affecting Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one quarter of the aggregate principal amount of the outstanding Notes form a quorum.

Subject to any modification being effected in accordance with the provisions set forth herein and in the relevant Indenture, such modification will be binding on all holders of notes of the same series (whether or not a holder has consented to such modification). The Trustee shall be entitled to receive and rely absolutely upon an opinion of counsel and an Officer's Certificate of the Issuer stating that the conditions precedent to any such modification have been met.

**Waivers**

The holders of not less than a majority in aggregate principal amount of the outstanding notes of a series of notes affected thereby, may on behalf of the holders of all notes of such series waive compliance by the Issuer with certain restrictive provisions of the relevant Indenture as pertain to the corporate existence of the Issuer and/or the maintenance of certain agencies by the Issuer.

The holders of a majority in aggregate principal amount of the outstanding notes of a series of notes may waive on behalf of the holders of all notes of such series, any past default and its consequences under the relevant Indenture, except a default in the payment of the principal of (or premium, if any, on) or interest, if any, on any such note of that series; a default in respect of a covenant or a provision which under the relevant Indenture cannot be modified or amended without the consent of the holder of each outstanding note of such series.

**Meetings of Noteholders**

The Indentures contain provisions for convening meetings of each Series of Noteholders to consider matters relating to the Notes, including the modification of certain provision of the Indentures. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided**, **however**, **that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, not less than one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of at least 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the relevant Indenture will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

**Enforcement**

The Trustee may, at any time, without further notice, institute such proceedings against the Issuer to enforce any obligation, condition or provision binding on the Issuer under either Indenture in respect of the Notes, but shall not be bound to do so unless:

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

(b) it has been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction.

No Noteholder or Couponholder shall be entitled to institute proceedings directly against the Issuer unless the Trustee, having become bound to proceed as aforesaid, fails to do so within a reasonable time and such failure is continuing.

**Notices**

Notices to Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first 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).

Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

Notwithstanding the two preceding paragraphs, the Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any stock exchange on which Notes are then listed and **provided that** notice of that other method is given to the Noteholders in the manner required by the Trustee.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

**Governing Law**

The Indentures and the notes shall be governed by and construed in accordance with the laws of the State of New York.

**Consent to Service**

The Indentures provide that the Issuer has designated and appointed Corporation Service Company as its authorised agent upon which process may be served in any suit or proceeding arising out of or relating to the notes or the Indentures that may be instituted in any State or Federal court located in the Borough of Manhattan, City of New York, State of New York, and have submitted (for the purposes of any such suit or proceeding) to the jurisdiction of any such New York court in which any such suit or proceeding is so instituted.

**Concerning the Trustee**

The Indentures provide that, except during the continuance of an Event of Default for a series of notes, the Trustee will have no obligations other than the performance of such duties as are specifically set forth in the relevant Indenture. Subject to the provisions of the relevant Indenture relating to the indemnification of the Trustee, if an Event of Default has occurred and is continuing, the Trustee shall use the same degree of care and skill in its exercise of the rights and powers vested in it by the relevant Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The Issuer may maintain accounts with and conduct banking and other business transactions with the Trustee in the ordinary course of its business.

**Concerning the Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent**

In acting under the Indentures and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer or, following the occurrence of an Event of Default, the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The Principal Paying Agent, Registrar and Transfer Agent and their respective initial Specified Offices are set out below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time, with the prior written consent of the Trustee, to vary or terminate the appointment of any Paying Agent, Registrar, Transfer Agent or Calculation Agent and to appoint a successor principal paying agent or registrar or calculation agent and additional or successor paying agents; **provided**, **however**, **that**:

(a) the Issuer shall at all times maintain a Principal Paying Agent, Registrar and Transfer Agent;

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any appointment of, or change in, any of the Paying Agents, Transfer Agent or in their Specified Offices shall promptly be given to the Noteholders.

**Interpretation**

In this "*Description of the Notes*":

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Bearer Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under "*—Taxation*", any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to the relevant Indenture;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under "*—Taxation*" and any other amount in the nature of interest payable pursuant to the relevant Indenture;

(vi) references to Notes being "outstanding" shall be construed in accordance with the relevant Indenture;

(vii) if an expression is stated in "*—Certain Definitions*" to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to an Indenture shall be construed as a reference to the relevant Indenture, as amended and/or supplemented up to and including the Issue Date of the Notes.

For the purposes of any calculations referred to in the Indentures (unless otherwise specified in this "*Description of the Notes*" or the relevant Final 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 U.S. dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen

amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

**Certain Definitions**

Set forth below are definitions for certain terms used in relation to the notes:

"**Accrual Yield**" has the meaning given in the relevant Final Terms.

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Agents**" means any Paying Agent, the Transfer Agent and any Calculation Agent appointed in respect of the Notes, and any reference to an "**Agent**" is to any one of them.

"**BBSW**" means, in respect of Australian dollars and any specified period, the interest rate benchmark known as the Bank Bill Swap Reference Rate, which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Australian Financial Markets Association (or any other person that takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities that are provided, in respect of each such currency, by a panel of contributor banks (details of historic BBSW rates can be obtained from the designated distributor).

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(ii) in relation to any sum payable in a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

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

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant 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;

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

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant 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 relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred, **provided**, **however**, **that**:

(a) 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;

(b) 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

(c) 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; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

"**Calculation Amount**" has the meaning given in the relevant Final Terms.

"**Coupon Sheet**" means, in respect of a Bearer Note, a coupon sheet relating to the Note.

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

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

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

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

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

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

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

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

where:

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

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

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

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

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

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

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

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

where:

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

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

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

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

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case $D_2$ will be 30; and

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

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

where:

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

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

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

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

"**$D_1$**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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,

**provided**, **however**, **that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

"**Dual Currency Redemption Rate of Exchange**" means the bid spot exchange rate for the Specified Currency/Equivalent Currency which appears on the Dual Currency Redemption Relevant Screen Page (as specified in the relevant Final Terms) at or around the Dual Currency Redemption Relevant Time (as specified in the relevant Final Terms) on the Redemption Pricing Date (as specified in the relevant Final Terms), as determined by the Calculation Agent (or, if the Dual Currency Redemption Rate of Exchange does not appear on the Dual Currency Redemption Relevant Screen Page at the Dual Currency Redemption Relevant Time, the Dual Currency Redemption Rate of Exchange will be determined by the Calculation Agent in its sole discretion acting in a commercially reasonable manner).

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms.

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms.

"**Equivalent Currency**" has the meaning given in the relevant Final Terms.

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor).

"**Event of Default**" has the applicable meaning given in "*—Events of Default—Senior Notes*" or "*—Events of Default—Subordinated Notes* ".

"**Extraordinary Resolution**" has the meaning given in the relevant Indenture.

"**Final Redemption Amount**" means,

(a) in respect of Dual Currency Notes to which Equivalent Currency Redemption provisions are specified as applicable in the Final Terms, the amount per Calculation Amount as specified in the relevant Final Terms as converted into the Equivalent Currency at the Dual Currency Redemption Rate of Exchange rounded to the nearest sub-unit of the Equivalent Currency (half a sub-unit being rounded upwards); or

(b) in respect of Reverse Dual Currency Notes to which Equivalent Currency Redemption provisions are specified as applicable in the Final Terms, the amount per Equivalent Calculation Amount as specified in the relevant Final Terms as converted into the Specified Currency at the Reverse Dual Currency Redemption Rate of Exchange rounded to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards); or

(c) in respect of any other Note, the amount per Calculation Amount as specified in the relevant Final Terms.

For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

"**First Interest Payment Date**" means the date specified in the relevant Final Terms.

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms.

"**Global Note**" means a Global Bearer Note or a Global Registered Note.

"**Holder**", in the case of Bearer Notes, has the meaning given in "*—Form, Denomination and Title—Bearer Notes*" and, in the case of Registered Notes, has the meaning given in "*—Form, Denomination and Title – Registered Notes*".

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

"**Interest Determination Date**" has the meaning given in the relevant Final Terms.

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case).

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) and, if specified in the relevant Final Terms, as supplemented by any applicable supplement to the ISDA Definitions) as published by the International Swaps and Derivatives Association, Inc.).

"**Issue Date**" has the meaning given in the relevant Final Terms.

"**LIBOR**" means, in respect of any specified currency and any specified period, the London inter-bank offered rate for that currency and period displayed on the appropriate page (being currently Reuters screen page LIBOR01 or LIBOR02) on the information service which publishes that rate.

"**Margin**" has the meaning given in the relevant Final Terms.

"**Margin Multiplier**" has the meaning given in the relevant Final Terms.

"**Maturity Date**" has the meaning given in the relevant Final Terms.

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms.

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms.

"**Officer's Certificate**" has the meaning given in the relevant Indenture.

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms.

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms.

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms.

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms.

"**Participating Member State**" means a Member State of the European Communities that adopts the euro as its lawful currency in accordance with the Treaty.

"**Paying Agents**" means the Principal Paying Agent and any substitute or additional paying agents appointed in accordance with the relevant Indenture and a "**Paying Agent**" means any of them.

"**Payment Business Day**" means any day that is:

(i) if the currency of payment is euro, any day that is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day that is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation or government or any agency or political subdivision thereof.

"**Potential Event of Default**" means an event or circumstance that could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in "*—Events of Default—Senior Notes*" or "*—Events of Default—Subordinated Notes* ".

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency, **provided**, **however**, **that**:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to New Zealand dollars, it means either Wellington or Auckland, as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

"**Put Option Notice**" means a notice that must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder pursuant to "*—Redemption and Purchase—Redemption at the Option of the Noteholders*".

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder pursuant to "*—Redemption and Purchase—Redemption at the Option of the Noteholders*".

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of the relevant Indenture and/or the relevant Final Terms.

"**Record Date**" in the case of Global Registered Notes, has the meaning given in "*—Form, Denomination and Title—Global Notes—Conditions applicable to Global Bearer Notes and Global Registered Notes*" and, in the case of Registered Notes, has the meaning given in "*—Payments—Registered Notes*".

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms.

"**Reference Banks**":

(i) in respect of Notes other than CMS Rate Notes and CMT Rate Notes, has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent (after consultation with the Issuer) in the market that is most closely connected with the Reference Rate; and

(ii) in respect of CMS Rate Notes and CMT Rate Notes, has the meaning given in " *Floating Rate Note Provisions—CMS Rate Determination for CMS Rate Notes*" and " *Floating Rate Note Provisions—CMT Rate Determination for CMT Rate Notes*", respectively.

"**Reference Price**" has the meaning given in the relevant Final Terms.

"**Reference Rate**" means EURIBOR, LIBOR or BBSW or such other rate as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms.

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms.

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, but not limited to, Reuters and Bloomberg), as may be specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other 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**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal:

(i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;

(ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under " *Substitution*");

(iii) to change the currency in which amounts due in respect of the Notes are payable;

(iv) to change the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution; or

(v) to amend this definition.

"**Reverse Dual Currency Redemption Rate of Exchange**" means the bid spot exchange rate for the Equivalent Currency/Specified Currency which appears on the Reverse Dual Currency Redemption Relevant Screen Page (as specified in the relevant Final Terms) at or around the Reverse Dual Currency Redemption Relevant Time (as specified in the relevant Final Terms) on the Redemption Pricing Date (as specified in the relevant Final Terms), as determined by the Calculation Agent (or, if the Reverse Dual Currency Redemption Rate of Exchange does not appear on the Reverse Dual Currency Redemption Relevant Screen Page at the Reverse Dual Currency Redemption Relevant Time, the Reverse Dual Currency Redemption Rate of Exchange will be determined by the Calculation Agent in its sole discretion acting in a commercially reasonable manner).

"**Senior Indebtedness**" means:

(i) any of the Issuer's indebtedness for borrowed or purchased money, whether or not evidenced by bonds, debentures, notes or other written instruments;

(ii) the Issuer's obligations under letters of credit;

(iii) any of the Issuer's indebtedness or other obligations with respect to commodity contracts, interest rate and currency swap agreements, cap, floor and collar agreements, currency spot and forward contracts, and other similar agreements or arrangements designed to protect against fluctuations in currency exchange or interest rates; and

(iv) any guarantees, endorsements (other than by endorsement of negotiable instruments for collection in the ordinary course of business) or other similar contingent obligations in respect of obligations of others of a type described in clauses (i), (ii) and (iii), whether or not such obligation is classified as a liability on a balance sheet prepared in accordance with generally accepted accounting principles,

(v) in each case whether outstanding on the date of execution of the relevant Indenture or thereafter incurred, other than the Subordinated Notes or obligations ranking on a parity with the Subordinated Notes or ranking junior to the Subordinated Notes,

where:

"ranking junior to the Subordinated Notes" when used with respect to any obligation of the Issuer shall mean any obligation of the Issuer which (a) ranks junior to and not equally with or prior to the Subordinated Notes (or any other obligations of the Issuer ranking on a parity with the Subordinated Notes) in right of payment upon the happening of any insolvency, bankruptcy, receivership, liquidation, reorganisation, readjustment, composition or other similar proceeding relating to the Issuer, its creditors or its property; any proceeding for the liquidation, dissolution or other winding up of the Issuer, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings; any assignment by the Issuer for the benefit of creditors; or any other marshalling of the assets of the Issuer; or (b) is specifically designated as ranking junior to the Subordinated Notes by express provision in the instrument creating or evidencing such obligation. The securing of any obligations of the Issuer, otherwise ranking junior to the Subordinated Notes, shall be deemed to prevent such obligations from constituting obligations ranking junior to the Subordinated Notes; and

"ranking on a parity with the Subordinated Notes" when used with respect to any obligation of the Issuer shall mean any obligation of the Issuer which (a) ranks equally with and not prior to the Subordinated Notes in right of payment upon the happening of any insolvency, bankruptcy,

receivership, liquidation, reorganisation, readjustment, composition or other similar proceeding relating to the Issuer, its creditors or its property; any proceeding for the liquidation, dissolution or other winding up of the Issuer, voluntary or involuntary, whether or not involving insolvency or bankruptcy proceedings; any assignment by the Issuer for the benefit of creditors; or any other marshalling of the assets of the Issuer; or (b) is specifically designated as ranking on a parity with the Subordinated Notes by express provision in the instrument creating or evidencing such obligation. The securing of any obligations of the Issuer, otherwise ranking on a parity with the Subordinated Notes, shall not be deemed to prevent such obligations from constituting obligations ranking on a parity with the Subordinated Notes.

"**Senior Note**" has the meaning given in " *Status of Senior Notes*".

"**Specified Currency**" has the meaning given in the relevant Final Terms.

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms.

"**Specified Office**" has the meaning given in the relevant Indenture.

"**Specified Period**" has the meaning given in the relevant Final Terms.

"**Subordinated Note**" has the meaning given in "*—Status and Subordination of the Subordinated Notes—General*".

"**Subsidiary**" means, in relation to any Person (the "first Person") at any particular time, any other Person (the "second Person"):

(i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

(ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person.

"**Talon**" means a talon for further Coupons.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 or any successor thereto.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

"**Transfer Agents**" means the Transfer Agent and any successor or additional transfer agents appointed from time to time in connection with the Notes.

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended.

"**United States**" and "**U.S.**" mean, unless otherwise specified with respect to any particular series of notes, the United States of America, its territories and possessions and other areas subject to its jurisdiction.

"**United States Alien**" means a beneficial owner of Notes that is for U.S. federal income tax purposes

(i) an individual who is not a citizen or resident of the United States;

(ii) a foreign corporation; or

(iii) a foreign estate or trust.

"**Zero Coupon Note**" means a Note specified as such in the relevant Final Terms.

**FORM OF FINAL TERMS**

[**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Include reference to any negative target market, if required*]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS -** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU ("**MiFID II**")]/[MiFID II]; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and ["Excluded Investment Products"]/["Specified Investment Products"] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][1]

**Final Terms dated [•]**

**Wells Fargo & Company**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the U.S.$50,000,000,000**

**Euro Medium Term Note Programme**

**Part A — CONTRACTUAL TERMS**

[***To be included for a new Series or for a reopening of an existing Series initially issued on or after 10 March 2015*:**] [The Issuer has prepared the Base Prospectus dated 21 March 2019 which constitutes a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC (as amended or superseded) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus. Capitalised terms used but not defined herein shall have the meanings given to such terms in the [Senior][Subordinated] Indenture (the "**Indenture**") dated 17 March 2017 among the Issuer and Citibank, N.A., London Branch, as trustee, principal paying agent and transfer agent, and Citigroup Global Markets Europe AG, as registrar.]

[***To be included for a reopening of an existing Series initially issued before 10 March 2015 subject to the terms and conditions of such existing Notes:*** **]** [Terms used herein shall be deemed to be defined as such

[1] Prescribed capital markets products notification to be made by way of Bloomberg launch announcement or otherwise before an offer of Notes is made.

for the purposes of the Conditions (the "**Conditions**") set forth in the [Base Prospectus dated [16 March 2018] [17 March 2017] [7 March 2016] [10 March 2015] [11 April 2014] [16 April 2013] [5 April 2012] [2 June 2011]] [Drawdown Prospectus dated 25 January 2017] [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC (as amended or superseded) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented.]]

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms[, the Indenture] and the Base Prospectus. The Base Prospectus [and the Indenture] [is][are] available for viewing at the market news section of the London Stock Exchange website http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and copies may be obtained from during normal business hours at Wells Fargo & Company, Office of the Corporate Secretary, Wells Fargo Center, MAC N9305-173, Sixth and Marquette, Minneapolis, Minnesota 55479, United States of America.

| | | | |
|---|---|---|---|
| 1. | Issuer | | Wells Fargo & Company |
| 2. | (i) | Series Number: | [•] |
| | [(ii) | Tranche Number: | [•]] |
| | [(iii) | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below [which is expected to occur on or about [•]].] |
| 3. | Specified Currency or Currencies: | | [•] |
| 4. | [Equivalent Currency | | [•]] |
| 5. | Aggregate Nominal Amount: | | [•] |
| | [(i)] | [Series]: | [•] |
| | [(ii) | Tranche: | [•]] |
| 6. | [Equivalent Aggregate Nominal Amount: | | |
| | [(i)] | [Series]: | [•] |
| | [(ii) | Tranche: | [•]] |
| 7. | Issue Price: | | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] |
| 8. | (i) | Specified Denominations: | [•] |
| | (ii) | Calculation Amount: | [•] |
| | [(iii)] | Equivalent Calculation Amount: | [•] |
| 9. | (i) | Issue Date: | [•] |
| | (ii) | Interest Commencement Date: | [[•]/Issue Date/Not Applicable] |

| | | | |
|---|---|---|---|
| 10. | Maturity Date: | | [•] / [Interest Payment Date falling in or nearest to [•]] |
| 11. | Interest Basis: | | [[•] per cent. Fixed Rate]<br><br>[[•] [•] [EURIBOR][LIBOR][BBSW] +/– [•] per cent. Floating Rate]<br><br>[Floating Rate: CMS Rate]<br><br>[Floating Rate: CMT Rate]<br><br>[Floating Rate: ISDA Rate]<br><br>[Switch Option]<br><br>[Step-up Notes]<br><br>[Spread Notes]<br><br>(further particulars specified below) |
| 12. | Redemption/Payment Basis: | | Redemption at par [Equivalent Currency Redemption provisions are applicable in respect of the Notes]<br><br>[Redemption or repurchase will be subject to required regulatory approval, if any.] |
| 13. | Redemption for Hedging Disruption: | | [Applicable]/[Not Applicable] |
| 14. | Change of Interest or Redemption/ Payment Basis: | | [•]/[Not Applicable] |
| 15. | Put/Call Options: | | [Put Option]/[Not Applicable]<br><br>[Call Option]/[Not Applicable] |
| 16. | (i) | Status of the Notes: | [Senior/Subordinated] |
| | [(ii)] | [Date [Board] approval for issuance of Notes obtained: | [•] [and [•], respectively]] |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 17. | Type of Interest | | [Fixed Rate Interest] [Floating Rate Interest] [Zero Coupon] [Fixed/Floating Rate Interest][Spread Notes] |
| | (i) | Interest Payment Date(s): | [•][, [•], [•] and [•]] [in each year commencing on [•], up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in 17(iv) below] [Not Applicable] |
| | (ii) | Interest Period End Date | [•] [Each Interest Payment Date] [Not Applicable] |
| 18. | Switch Option | | [Applicable/Not Applicable] |

| | | | |
|---|---|---|---|
| | (i) | Switch Exercise Period(s): | Interest Payment Date: [•] Switch Exercise Period (each date inclusive):<br><br>[•] to [•] |
| | (ii) | Switch Notice Period Number: | [•] |
| 19. | Fixed Rate Note Provisions | | [Applicable/Not Applicable] [Applicable for the following Interest Period(s): [*specify*]] [Applicable subject to exercise of Switch Option] [Applicable following exercise of Switch Option] |
| | (i) | Rate[(s)] of Interest: | [[•] per cent. per annum payable in arrear on each Interest Payment Date] [[•] per cent. per annum payable from and including [•] to but excluding [•]]<br><br>[The Notes are Step-up Notes. The Rate of Interest shall be: [•] for the Interest Period commencing in [*month, year*]; [•] for the Interest Period commencing in [*month, year*]]<br><br>[[Switch Date:] Interest Payment Date:] [•] [Rate of Interest: [•]] |
| | (ii) | Fixed Coupon Amount[(s)]: | [•] per Calculation Amount |
| | (iii) | Broken Amount(s): | [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] / [Not Applicable] |
| | (iv) | Day Count Fraction: | [Actual/Actual (ICMA) / Actual/Actual (/ISDA) / Actual/365 (Fixed) / Sterling/FRN / Actual/360 / 30/360 / 30E/360] |
| 20. | Floating Rate Note Provisions | | [Applicable/Not Applicable] [Applicable for the following Interest Period(s): [*specify*]] [Applicable subject to exercise of Switch Option] [Applicable following exercise of Switch Option] |
| | (i) | Interest Period(s): | [•] |
| | (ii) | Specified Period: | [Not Applicable]/[•] |
| | (iii) | [First Interest Payment Date]: | [•] |
| | (iv) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[•]] |
| | (v) | Additional Business Centre(s): | [Not Applicable/[•]] |
| | (vi) | Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Rate Determination/CMS Rate Determination/CMT Rate Determination] |

| | | |
|---|---|---|
| (vii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): | [•] shall be the Calculation Agent |
| (viii) | Screen Rate Determination: | [Applicable/Not Applicable] [*For Highest Rate Notes/Lowest Rate Notes more than one rate may be specified*][*For Spread Notes specify the following:* The Notes are Spread Notes. For the purposes of Condition 6(i), "A" shall be / "B" shall be:] |
| | • Reference Rate: | [•] [•] [EURIBOR][LIBOR][BBSW] |
| | • Interest Determination Date(s): | [•] |
| | • Relevant Screen Page: | [•] |
| | • Relevant Time: | [•] |
| | • Relevant Financial Centre: | [•] |
| | • Reference Banks: | [•] |
| | • Margin(s): | [+/-][•] per cent. per annum] [Not Applicable]<br><br>[The Notes are Step-up Notes. The Margin shall be: [•] for the Interest Period commencing in [*month, year*]; [•] for the Interest Period commencing in [*month, year*]] |
| | • Rate Multiplier: | [Not Applicable]/[•] |
| | • Designated Maturity: | [•] |
| (ix) | CMS Rate Determination: | [Applicable/Not Applicable] [*For Highest Rate Notes/Lowest Rate Notes more than one rate may be specified*] [*For Spread Notes specify the following:* The Notes are Spread Notes. For the purposes of Condition 6(i), "A" shall be / "B" shall be:] |
| | • CMS Reference Rate: | [•] |
| | • Interest Determination Date(s): | [•] |
| | • Relevant Screen Page: | [•] |
| | • Relevant Time: | [•] |
| | • Margin(s): | [[+/-][•] per cent. per annum][Not Applicable]<br><br>[The Notes are Step-up Notes. The Margin shall be: [•] for the Interest Period commencing in [*month, year*]; [•] for the Interest Period commencing in [*month, year*]] |
| | • Margin Multiplier: | [Not Applicable]/[•] |

- Designated Maturity: [•] [[•] and [•]]
- CMS Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (/ISDA) / Actual/365 (Fixed) / Sterling/FRN / Actual/360 / 30/360 / 30E/360]
- CMS Floating Leg Rate: [•] (as defined in the ISDA Definitions)

(x) CMT Rate Determination: [Applicable/Not Applicable] [*For Highest Rate Notes/Lowest Rate Notes more than one rate may be specified*] [*For Spread Notes specify the following:* The Notes are Spread Notes. For the purposes of Condition 6(i), "A" shall be / "B" shall be:]

- Initial Interest Rate: [•]
- Margin(s): [[+/-][•] per cent. per annum] [Not Applicable]

  [The Notes are Step-up Notes. The Margin shall be: [•] for the Interest Period commencing in [*month, year*]; [•] for the Interest Period commencing in [*month, year*]]
- Margin Multiplier: [Not Applicable]/[•]
- Interest Determination Date(s): [•]
- Designated CMT Reuters Page: [Reuters Screen FRBCMT/Reuters Screen FEDCMT]
- Weekly/Monthly Average: [Weekly/Monthly]
- Designated CMT Maturity Index: [1/2/3/5/7/10/20/30] years

(xi) ISDA Rate Determination: [Applicable/Not Applicable] [*For Highest Rate Notes/Lowest Rate Notes more than one rate may be specified*] [*For Spread Notes specify the following:* The Notes are Spread Notes. For the purposes of Condition 6(i), "A" shall be / "B" shall be:]

- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]
- Margin(s): [[+/-][•] per cent. per annum] [Not Applicable]

  [The Notes are Step-up Notes. The Margin shall be: [•] for the Interest Period commencing in [*month, year*]; [•] for the Interest Period commencing in [*month, year*]]

| | | |
|---|---|---|
| | • Rate Multiplier: | [Not Applicable]/[•] |
| | • ISDA Definitions: | 2006 |
| (xii) | Minimum Rate of Interest: | [Applicable / Not Applicable] [[•] per cent. per annum]<br><br>[[Interest Payment Date(s):] [•] [Minimum Rate of Interest:] [•]] |
| (xiii) | Maximum Rate of Interest: | [Applicable / Not Applicable] [[•] per cent. per annum]<br><br>[[Interest Payment Date(s):] [•] [Maximum Rate of Interest:] [•]] |
| (xiv) | Spread Notes: | [Applicable / Not Applicable] |
| | • Margin(s): | [+/-][•] per cent. per annum] [Not Applicable]<br><br>[The Notes are Step-up Notes. The Margin shall be: [•] for the Interest Period commencing in [*month, year*]; [•] for the Interest Period commencing in [*month, year*]] |
| | • Rate Multiplier: | [Not Applicable]/[•] |
| (xv) | Knock-in Notes: | [Applicable / Not Applicable] |
| | [Knock-in Valuation Date(s) | [•] |
| | Knock-in Determination Period | [For the Interest Payment date falling in [•]][For each Interest Payment Date] the Knock-in Period Beginning Date is [•] and Knock-in Period Ending Date is [•] |
| | Knock-in Event: | ["greater than"][greater than or equal to"]["less than"]["less than or equal to"] |
| | Knock-in Level: | [•] |
| | Knock-in Range: | From and including [•] to but excluding [•] |
| | Digital Coupon: | [Applicable / Not Applicable] |
| | Digital Coupon Amount: | [For the Interest Payment date falling in [•]][For each Interest Payment Date] [•]] |
| (xvi) | Knock-out Notes: | [Applicable / Not Applicable] |
| | [Knock-out Valuation Date(s) | [•] |
| | Knock-out Determination Period | [For the Interest Payment date falling in [•]][For each Interest Payment Date] the Knock-out Period Beginning Date is [•] and Knock-out Period Ending Date is [•] |
| | Knock-out Event: | ["greater than"][greater than or equal to"]["less than"]["less than or equal to"] |

| | | | |
|---|---|---|---|
| | | Knock-out Level: | [•] |
| | | Knock-out Range: | From and including [•] to but excluding [•] |
| | | Digital Coupon: | [Applicable / Not Applicable] |
| | | Digital Coupon Amount: | [For the Interest Payment date falling in [•]][For each Interest Payment Date] [•]] |
| | (xvii) | Highest Rate Notes: | [Applicable / Not Applicable] |
| | (xviii) | Lowest Rate Notes: | [Applicable / Not Applicable] |
| | (xix) | Day Count Fraction: | [Actual/Actual (ICMA) / Actual/Actual (/ISDA) / Actual/365 (Fixed) / Sterling/FRN / Actual/360 / 30/360 / 30E/360] |
| 21. | Zero Coupon Note Provisions | | [Applicable/Not Applicable] |
| | (i) | [Amortisation/Accrual] Yield: | [•] per cent. per annum |
| | (ii) | Reference Price: | [•] |
| | (iii) | Day Count Fraction: | [30/360 / Actual/Actual (ICMA) / Actual/Actual(ISDA)] |
| 22. | Dual Currency Note Provisions | | [Applicable/Not Applicable] |
| | • | Dual Currency Relevant Screen Page: | [•] |
| | • | Dual Currency Relevant Time: | [•] |
| | • | Pricing Date(s): | [•] [In respect of an Interest Payment Date, the date falling [•] Business Days prior to such Interest Payment Date] |
| 23. | Reverse Dual Currency Note Provisions | | [Applicable/Not Applicable] |
| | • | Reverse Dual Currency Relevant Screen Page: | [•] |
| | • | Reverse Dual Currency Relevant Time: | [•] |
| | • | Pricing Date(s): | [In respect of an Interest Payment Date, the date falling [•] Business Days prior to such Interest Payment Date] |
| 24. | Range Accrual Note Provisions | | [Applicable/Not Applicable] |
| | • | Range Accrual Reference Rate: | [•] |
| | • | Fixed Range Accrual Reference Rate: | [Applicable/Not Applicable] |
| | • | Relevant Screen Page: | [•] |
| | • | Relevant Time: | [•] |
| | • | Upper Barrier: | [•][Not Applicable] |
| | • | Lower Barrier: | [•][Not Applicable] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 25. | Call Option | | [Applicable/Not Applicable] |
| | (i) | Optional Redemption Date(s): | [•] |
| | (ii) | Optional Redemption Amount(s): | [•] per Calculation Amount |
| | (iii) | If redeemable in part: | |
| | | • Minimum Redemption Amount: | [•] per Calculation Amount |
| | | • Maximum Redemption Amount | [•] per Calculation Amount |
| | (iv) | Notice period: | [•] |
| 26. | Put Option | | [Applicable/Not Applicable] |
| | (i) | Optional Redemption Date(s): | [•] |
| | (ii) | Optional Redemption Amount(s) of each Note: | [•] per Calculation Amount |
| | (iii) | Notice period: | [•] |
| 27. | Final Redemption Amount of each Note | | [[•] per [Equivalent] Calculation Amount.][[Equivalent Currency Redemption provisions are applicable in respect of the Notes] |
| | (i) | [[Reverse] Dual Currency Redemption Relevant Screen: | [•]] |
| | (ii) | [[Reverse] Dual Currency Redemption Relevant Time: | [•]] |
| | (iii) | [Redemption Pricing Date: | [•]] |
| 28. | Early Redemption Amount | | |
| | Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: | | [•] per Calculation Amount |
| 29. | Early Termination Amount | | [•] per Calculation Amount |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | |
|---|---|---|
| 30. | Form of Notes: | [Bearer Notes:<br><br>[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]<br><br>[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]<br><br>[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any |

| | | |
|---|---|---|
| | | time/in the limited circumstances specified in the Permanent Global Note]][2]<br><br>[Registered Notes:<br><br>Global Registered Note exchangeable for Individual Note Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Note<br><br>Global Registered Note registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))].] |
| 31. | [New Global Note ("**NGN**") Form] [New Safekeeping Structure ("**NSS**")]: | [Applicable/Not Applicable] |
| 32. | Additional Financial Centre(s) or other special provisions relating to payment dates: | [Not Applicable/[•]] |
| 33. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | [No.] / [Yes. As the Notes have more than 27 Coupon payments, Talons may be **required if, on exchange into definitive for**m, more than 27 Coupon payments are left.] |
| 34. | Relevant Benchmark[s]: | [[EURIBOR / LIBOR / BBSW] is provided by [*administrator legal name*]][*repeat as necessary*]. [As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, the [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011, as amended] / [Not Applicable] |

Signed on behalf of Wells Fargo & Company:

By: .....
Duly authorised

[2] Notes in bearer form may only be issued to the extent they are classified as being in registered form for US tax purposes.

## PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

| | | |
|---|---|---|
| (i) | Admission to trading: | Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from [•]. |
| (ii) | Estimate of total expenses related to admission to trading: | [•] |

2. **RATINGS**

| | |
|---|---|
| Ratings: | The Notes to be issued [are not/have been/are expected to be] rated:<br><br>[S&P Global Ratings, acting through Standard & Poor's Financial Services LLC: [•]]<br><br>[Moody's Investors Service, Inc: [•]]<br><br>[Fitch Ratings, Inc.: [•]]<br><br>[DBRS, Inc.: [•]] |

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]/[•]/[Not applicable].

4. **[*Fixed Rate Notes only* – YIELD**

| | |
|---|---|
| Indication of yield: | [•]] |

5. [***Floating Rate Notes only* – HISTORIC INTEREST RATES**

Information on past and future performance and volatility of the [•] interest rates can be obtained from [Reuters].]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained[ ] [does not intend to provide post-issuance information]

6. [***Dual Currency/Reverse Dual Currency Notes only* - PERFORMANCE OF RATE OF EXCHANGE**

Details of historic rates of exchange can be obtained from [Reuters].]

7. **OPERATIONAL INFORMATION**

| | |
|---|---|
| ISIN Code: | [•] |
| Common Code: | [•] |
| CFI: | [[•], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable] |

| | | |
|---|---|---|
| | FISN: | [[•], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable] |
| | LEI: | PBLD0EJDB5FWOLXP3B76 |
| | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | [Not Applicable]/[•] |
| | New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | [[Yes. Note that the designation "yes" means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, [or registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]<br><br>[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common Safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |
| | Delivery: | Delivery [against/free of] payment |
| | Names and addresses of additional paying agent(s) (if any): | [Not Applicable]/[•] |
| | **DISTRIBUTION** | |
| 8. | Method of Distribution: | [Syndicated / Non-syndicated] |
| 9. | (i) If syndicated, names of Managers: | [Not Applicable]/[•] |
| | (ii) Date of Subscription Agreement: | [•] |
| 10. | If non-syndicated, name of Dealer | [Not Applicable]/[•] |
| 11. | U.S. Selling Restrictions | [Reg. S Compliance Category 2] [TEFRA D / TEFRA not applicable] |

| | | |
|---|---|---|
| | | [Reg. S Compliance Category 2] |
| 12. | [Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*] |
| 13. | Stabilisation Manager | [•] |

**[THIRD PARTY INFORMATION]**

[[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.].

## USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used for the general corporate purposes of the Issuer's business.

## DESCRIPTION OF THE ISSUER

### Overview

The Issuer is the parent company of a diversified financial services group that operates primarily in North America. The Issuer was originally incorporated in 1929 in accordance with the laws of Delaware with registration number 0251212. The principal executive office of the Issuer is 420 Montgomery Street, San Francisco, California 94163 (telephone number +1-866-878-5865). The latest version of the Issuer's Certificate of Incorporation is dated 23 January 2018.

The Issuer is a financial holding company and a bank holding company registered under the Bank Holding Company Act of 1956, as amended (the "**BHC Act**"). Its principal business is to act as a holding company for the Group.

### Share capital and shareholding

The total number of shares of all classes of stock which the Issuer is authorised to issue is 9,024,000,000, consisting of 20,000,000 shares of preferred stock without par value, 4,000,000 shares of preference stock without par value, and 9,000,000,000 shares of common stock of the par value of U.S.$1 ⅔ per share. As of 28 February 2019, there were 4,538,954,676 shares of common stock issued and outstanding. Further information regarding the ownership of the Issuer's common stock, which shows that three groups beneficially owned 5 per cent. or more of its common stock as of 31 December 2018, may be found on page 58 of the Issuer's 2019 Proxy Statement, as incorporated by reference in this Base Prospectus.

### Principal activities and markets

The Issuer is the parent company of a diversified community-based financial services group providing banking, investments, mortgage and consumer and commercial finance through banking locations, ATMs, the internet and mobile banking, and the Group has offices in 37 countries to support customers who conduct business in the global economy. As of 31 December 2018, the Group had approximately U.S.$1.9 trillion in assets and more than 259,000 full-time employees and was ranked fourth in assets and third in market value of its common stock among its peers.

Pursuant to the third paragraph of its Restated Certificate of Incorporation, the objects of the Issuer include, without limitation, to have and to exercise any and all powers and privileges now or hereafter conferred by the laws of the State of Delaware upon corporations formed under the Delaware General Corporation Law, or under any act amendatory thereof or supplemental thereto or substituted therefor.

The Group has three operating segments for management reporting: Community Banking, Wholesale Banking and Wealth and Investment Management, which are defined by product type and customer segments.

#### *Community Banking*

The Community Banking segment offers a complete line of diversified financial products and services to consumers and small businesses with annual sales generally up to U.S.$5 million in which the owner generally is the financial decision-maker. These financial products and services include current and savings accounts, credit and debit cards, and automobile, student, mortgage, home equity and small business lending, as well as referrals to Wholesale Banking and Wealth and Investment Management business partners.

Community Banking serves customers through a complete range of channels, including traditional and in-supermarket and other small format branches, ATMs, digital (online, mobile and social) and contact centres (phone, email and correspondence).

#### *Wholesale Banking*

The Wholesale Banking segment provides financial solutions to businesses across the United States with annual sales generally in excess of U.S.$5 million and to financial institutions globally. This segment provides a complete line of commercial, corporate, capital markets, cash management and real estate banking products and services. These include traditional commercial loans and lines of credit, letters of credit, asset-based lending, equipment leasing, international trade facilities, trade financing, collection

services, foreign exchange services, treasury management, merchant payment processing, institutional fixed-income sales, interest rate, commodity and equity risk management, online/electronic products such as the *Commercial Electronic Office*® portal, corporate trust fiduciary and agency services and investment banking services. The Wholesale Banking segment also offers a wide range of products and services that support the commercial real estate market.

***Wealth and Investment Management***

Wealth and Investment Management provides a full range of personalised wealth management, investment and retirement products and services to clients across U.S.-based businesses including Wells Fargo Advisors, The Private Bank, Abbot Downing, Wells Fargo Institutional Retirement and Trust and Wells Fargo Asset Management. Wealth and Investment Management delivers financial planning, private banking, credit, investment management and fiduciary services to high-net worth and ultra-high-net worth individuals and families. It also serves clients' brokerage needs, supplies retirement and trust services to institutional clients and provides investment management capabilities delivered to global institutional clients through separate accounts and the Wells Fargo Funds.

**Growth**

For the financial year ended 31 December 2018, the Group's net income was U.S.$22.4 billion, while diluted earnings per common share were U.S.$4.28, reflecting the benefit of the Issuer's diversified business model and its ability to generate consistent financial performance.

**Capital management**

The Group has an active programme for managing capital through a comprehensive process for assessing the Group's overall capital adequacy. Its objective is to maintain capital levels at an amount commensurate with the Group's risk profile and risk tolerance objectives, and to meet both regulatory and market expectations. The Group primarily funds its capital needs through the retention of earnings net of dividends and share repurchases, as well as through the issuance of preferred stock and long- and short-term debt. Retained earnings increased by U.S.$12.9 billion from 31 December 2017, predominantly from the Group's net income of U.S.$22.4 billion, less common and preferred dividends of U.S.$9.5 billion. During 2018, the Group issued 65.1 million shares of common stock. During 2018, the Group repurchased 375.5 million shares of common stock in open market transactions, including through forward repurchase transactions and from employee benefit plans at a cost of U.S.$20.6 billion. The amount of repurchases are subject to various factors as discussed under "*Securities repurchases*" below. On 17 September 2018, the Issuer redeemed all of its 8.00 per cent. Non-Cumulative Perpetual Class A Preferred Stock, Series J, at a redemption price equal to U.S.$1,000 per share.

***Regulatory capital guidelines***

The Issuer and each of its subsidiary banks are subject to various regulatory capital adequacy requirements administered by the FRB and the OCC. Risk-based capital ("**RBC**") guidelines establish a risk-adjusted ratio relating capital to different categories of assets and off-balance sheet exposures.

*Risk-based capital and risk-weighted assets*

The Issuer is subject to final and interim rules issued by federal banking regulators to implement Basel III capital requirements for U.S. banking organisations. These rules are based on international guidelines for determining regulatory capital issued by the Basel Committee on Banking Supervision ("**BCBS**"). The federal banking regulators' capital rules, among other things, require on a fully phased-in basis:

- a minimum common equity tier 1 ("**CET1**") ratio of 9.0 per cent., comprised of a 4.5 per cent. minimum requirement plus a capital conservation buffer of 2.5 per cent., and for the Group, as a global systemically important bank ("**G-SIB**"), a capital surcharge to be calculated annually, which is 2.0 per cent. based on the Group's year-end 2017 data;

- a minimum tier 1 capital ratio of 10.5 per cent., comprised of a 6.0 per cent. minimum requirement plus the capital conservation buffer of 2.5 per cent., and the G-SIB capital surcharge of 2.0 per cent.;

- a minimum total capital ratio of 12.5 per cent, comprised of a 8.0 per cent minimum requirement plus the capital conservation buffer of 2.5 per cent., and the G-SIB capital surcharge of 2.0 per cent.;

- a potential countercyclical buffer of up to 2.5 per cent. to be added to the minimum capital ratios, which is not currently in effect but could be imposed by regulators at their discretion if it is determined that a period of excessive credit growth is contributing to an increase in systemic risk;

- a minimum tier 1 leverage ratio of 4.0 per cent.; and

- a minimum supplementary leverage ratio ("**SLR**") of 5.0 per cent. (comprised of a 3.0 per cent. minimum requirement and a supplementary leverage buffer of 2.0 per cent.) for large and internationally active bank holding companies ("**BHCs**").

The Group was required to comply with the final Basel III capital rules beginning January 2014, with certain provisions subject to phase-in periods. Beginning 1 January 2018, the requirements for calculating CET1 and tier 1 capital, along with risk-weighted assets ("**RWAs**"), became fully phased-in. However, the requirements for calculating tier 2 and total capital are still in accordance with Transition Requirements. The entire Basel III capital rules are scheduled to be fully phased-in by the end of 2021. The Basel III capital rules contain two frameworks for calculating capital requirements, a Standardised Approach, which replaced Basel I, and an Advanced Approach applicable to certain institutions, including the Group. Accordingly, in the assessment of its capital adequacy, the Issuer must report the lower of its CET1, tier 1 and total capital ratios calculated under the Standardised Approach and under the Advanced Approach.

On 10 April 2018, the FRB issued a proposed rule that would add a stress capital buffer and a stress leverage buffer to the minimum capital and tier 1 leverage ratio requirements. The buffers would be calculated based on the decrease in a financial institution's risk-based capital and tier 1 leverage ratios under the supervisory severely adverse scenario in the Comprehensive Capital Planning and Review, plus four quarters of planned common stock dividends. The stress capital buffer would replace the 2.5 per cent. capital conservation buffer under the Standardised Approach, whereas the stress leverage buffer would be added to the current 4 per cent. minimum tier 1 leverage ratio.

As the Issuer has been designated as a G-SIB, it is subject to the FRB's rule implementing the additional capital surcharge of between 1.0 and 4.5 per cent. on G-SIBs. Under the rule, it must annually calculate its surcharge under two methods and use the higher of the two surcharges. The first method (method one) considers its size, interconnectedness, cross-jurisdictional activity, substitutability and complexity, consistent with the methodology developed by the BCBS and the Financial Stability Board ("**FSB**"). The second (method two) uses similar inputs, but replaces substitutability with use of short-term wholesale funding and will generally result in higher surcharges than the BCBS methodology. The G-SIB surcharge became fully effective on 1 January 2019. Based on year-end 2017 data, the Issuer's 2019 G-SIB surcharge under method two is 2.0 per cent. of the Issuer's Risk Weighted Assets ("**RWAs**"), which is the higher of method one and method two. Because the G-SIB surcharge is calculated annually based on data that can differ over time, the amount of the surcharge is subject to change in future years. Under the Standardised Approach (fully phased-in), the Issuer's CET1 ratio of 11.74 per cent. exceeded the minimum of 9.0 per cent. by 274 basis points at 31 December 2018.

*Supplementary leverage ratio*

In April 2014, federal banking regulators finalised a rule that enhances the SLR requirements for BHCs, like the Issuer, and their insured depository institutions. The SLR consists of tier 1 capital divided by the Issuer's total leverage exposure. Total leverage exposure consists of the total average on-balance sheet assets, plus off-balance sheet exposures, such as undrawn commitments and derivative exposures, less amounts permitted to be deducted from tier 1 capital. The rule, which became effective on 1 January 2018, requires a covered BHC to maintain an SLR of at least 5.0 per cent. (comprised of the 3.0 per cent. minimum requirement plus a supplementary leverage buffer of 2.0 per cent.) to avoid restrictions on capital distributions and discretionary bonus payments. The rule also requires that all of the Issuer's insured depository institutions maintain an SLR of 6.0 per cent. under applicable regulatory capital adequacy guidelines. In April 2018, the FRB and OCC proposed rules (the "**Proposed SLR Rules**") that would replace the 2 per cent. supplementary leverage buffer with a buffer equal to one-half of the firm's G-SIB capital surcharge. The Proposed SLR Rules would similarly tailor the current 6 per cent. SLR requirement for the Group's insured depository institutions. At 31 December 2018, the Issuer's SLR was 7.7 per cent.

under the Advanced Approach capital framework. Based on the Issuer's review, its current leverage levels would exceed the applicable requirements for each of its insured depository institutions as well.

*Other regulatory capital matters*

In December 2016, the FRB finalised rules to address the amount of equity and unsecured long-term debt a U.S. G-SIB must hold to improve its resolvability and resiliency, often referred to as Total Loss Absorbing Capacity ("**TLAC**"). Under the rules, which became effective on 1 January 2019, U.S. G-SIBs are required to have a minimum TLAC amount (consisting of CET1 capital and additional tier 1 capital issued directly by the top-tier or covered BHC plus eligible external long-term debt) equal to the greater of (i) 18 per cent. of RWAs and (ii) 7.5 per cent. of total leverage exposure (the denominator of the SLR calculation). Additionally, U.S. G-SIBs are required to maintain (a) a TLAC buffer equal to 2.5 per cent. of RWAs plus the firm's applicable G-SIB capital surcharge calculated under method one plus any applicable countercyclical buffer to be added to the 18 per cent. minimum and (b) an external TLAC leverage buffer of 2.0 per cent. of total leverage exposure to be added to the 7.5 per cent. minimum in order to avoid restrictions on capital distributions and discretionary bonus payments. The rules also require U.S. G-SIBs to have a minimum amount of eligible unsecured long-term debt equal to the greater of (I) 6.0 per cent. of RWAs plus the firm's applicable G-SIB capital surcharge calculated under method two and (II) 4.5 per cent. of the total leverage exposure. In addition, the rules impose certain restrictions on the operations and liabilities of the top-tier or covered BHC in order to further facilitate an orderly resolution, including prohibitions on the issuance of short-term debt to external investors and on entering into derivatives and certain other types of financial contracts with external counterparties. While the rules permit permanent grandfathering of a significant portion of otherwise eligible debt that was issued prior to 31 December 2016, long-term debt issued after that date must be fully compliant with the eligibility requirements of the rules in order to count toward the minimum TLAC amount. As a result of the rules, the Issuer will need to issue additional long-term debt to remain compliant with the requirements. Under the Proposed SLR Rules, the 2 per cent. external TLAC leverage buffer would be replaced with a buffer equal to one-half of the firm's G-SIB capital surcharge. Additionally, the Proposed SLR Rules would modify the leverage component for calculating the minimum amount of eligible unsecured long-term debt from 4.5 per cent. of total leverage exposure to 2.5 per cent. of total leverage exposure plus one-half of the firm's G-SIB capital surcharge. As of 31 December 2018, the Issuer's eligible external TLAC as a percentage of total risk-weighted assets was 23.35 per cent. compared with a required minimum of 22.0 per cent. Similar to the risk-based capital requirements, the Issuer determines minimum required TLAC based on the greater of RWAs determined under the Standardised and Advanced Approaches.

*Capital planning and stress testing*

The Issuer's planned long-term capital structure is designed to meet regulatory and market expectations. The Issuer believes that its long-term targeted capital structure enables it to invest in and grow its business, satisfy its customers' financial needs in varying environments, access markets and maintain flexibility to return capital to its shareholders. The Issuer's long-term targeted capital structure also considers capital levels sufficient to exceed capital requirements including the G-SIB surcharge. Accordingly, based on the final Basel III capital rules under the lower of the Standardised or Advanced Approaches' CET1 capital ratios, the Issuer currently targets a long-term CET1 capital ratio at or in excess of 10 per cent., which includes a 2 per cent. G-SIB surcharge. The Issuer's capital targets are subject to change based on various factors, including changes to the regulatory capital framework and expectations for large banks promulgated by bank regulatory agencies, planned capital actions, changes in the Issuer's risk profile and other factors. As discussed above in "*—Regulatory capital guidelines*" above, the FRB has proposed including a stress capital buffer ("**SCB**") to replace the current capital conservation buffer as part of the capital requirements for large U.S. banks. The proposal is not final, but it is expected that the adoption of Current Expected Credit Loss accounting would be included in the SCB calculation. The Issuer expects that implementation of the SCB may increase the level and volatility of minimum capital requirements, which may cause its current 10 per cent. CET1 long-term target ratio to increase.

Under the FRB's capital plan rule, large BHCs are required to submit capital plans annually for review to determine if the FRB has any objections before making any capital distributions. The rule requires updates to capital plans in the event of material changes in a BHC's risk profile, including as a result of any significant acquisitions. The FRB assesses the overall financial condition, risk profile and capital adequacy of BHCs while considering both quantitative and qualitative factors when evaluating capital plans.

The Issuer's 2018 capital plan, which was submitted on 4 April 2018 as part of the Comprehensive Capital Planning and Review ("**CCAR**"), included a comprehensive capital outlook supported by an assessment of expected sources and uses of capital over a given planning horizon under a range of expected and stress scenarios. As part of the 2018 CCAR, the FRB also generated a supervisory stress test which assumed a sharp decline in the economy and significant decline in asset pricing using the information provided by the Issuer to estimate performance. The FRB reviewed the supervisory stress results both as required under the Dodd-Frank Act using a common set of capital actions for all large BHCs and by taking into account the Issuer's proposed capital actions. The FRB published its supervisory stress test results as required under the Dodd-Frank Act on 21 June 2018. On 28 June 2018, the FRB notified the Issuer that it did not object to its capital plan included in the 2018 CCAR.

Federal banking regulators require stress tests to evaluate whether an institution has sufficient capital to continue to operate during periods of adverse economic and financial conditions. These stress testing requirements set forth the timing and type of stress test activities large BHCs and banks must undertake as well as rules governing stress testing controls, oversight and disclosure requirements. The rules also limit a large BHC's ability to make capital distributions to the extent its actual capital issuances were less than amounts indicated in its capital plan. As required under the FRB's stress testing rule, the Issuer must submit a mid-cycle stress test based on data and scenarios developed by the Issuer. The Issuer submitted the results of the mid-cycle stress test to the FRB and disclosed a summary of the results in October 2018. In October 2018, the FRB proposed a rule that would, among other things, eliminate the mid-cycle stress test requirement for banks beginning in 2020.

*Securities repurchases*

From time to time the board of directors of the Issuer authorises the Issuer to repurchase shares of its common stock. Although the Issuer announces when the board of directors of the Issuer authorises share repurchases, it typically does not give any public notice before it repurchases its shares. Future stock repurchases may be private or open-market repurchases, including block transactions, accelerated or delayed block transactions, forward repurchase transactions and similar transactions. Additionally, the Issuer may enter into plans to purchase stock that satisfy the conditions of Rule 10b5-1 of the Securities Exchange Act of 1934. Various factors determine the amount of the Issuer's share repurchases, including its capital requirements, the number of shares it expects to issue for employee benefit plans and acquisitions, market conditions (including the trading price of the Issuer's stock) and regulatory and legal considerations, including the FRB's response to the Issuer's capital plan and changes in the Issuer's risk profile. Due to the various factors impacting the amount of the Issuer's share repurchases and the fact that the Issuer tends to be in the market regularly to satisfy repurchase considerations under its capital plan, the Issuer's repurchases occur at various price levels. The Issuer may suspend repurchase activity at any time.

In January 2018, the Issuer's board of directors authorised the repurchase of 350 million shares of its common stock. In October 2018, the Issuer's board of directors authorised the repurchase of an additional 350 million shares of its common stock. At 31 December 2018, the Issuer had remaining authority to repurchase approximately 395 million shares, subject to regulatory and legal conditions.

In connection with its participation in the TARP Capital Purchase Program ("**CPP**"), the Issuer issued to the U.S. Treasury Department warrants to purchase 110,261,688 shares of the Issuer's common stock with an original exercise price of U.S.$34.01 per share. The warrants expired on 29 October 2018, and the holders of 110,646 unexercised warrants as of the expiration date are no longer entitled to receive any shares of the Issuer's common stock.

**Regulatory framework**

The Issuer and its subsidiaries are subject to a comprehensive legislative and regulatory framework, the material elements of which are described below. This description is qualified in its entirety by reference to the full text of the statutes, regulations and policies that are described. Banking statutes, regulations and policies are continually under review by United States Congress and state legislatures and federal and state regulatory agencies as well as foreign governments and financial regulators, and a change in them, including changes in how they are interpreted or implemented, could have a material effect on the Group's business. The regulatory framework applicable to bank holding companies is intended to protect depositors, federal deposit insurance funds, consumers and the banking system as a whole, and not necessarily investors in bank holding companies such as the Issuer.

Statutes, regulations and policies could restrict the Issuer's ability to diversify into other areas of financial services, acquire depository institutions and pay dividends on its capital stock. They may also require the Issuer to provide financial support to one or more of its subsidiary banks, maintain capital balances in excess of those desired by management, and pay higher deposit insurance premiums as a result of a general deterioration in the financial condition of depository institutions.

***Bank holding company***

As a bank holding company, the Issuer is subject to regulation under the BHC Act and to inspection, examination and supervision by its primary regulator, the Board of Governors of the FRB. The Issuer is also subject to the disclosure and regulatory requirements of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, both as administered by the SEC. As a company with securities listed on the New York Stock Exchange ("**NYSE**"), the Issuer is subject to the rules of the NYSE for listed companies.

***Subsidiary banks***

The Group's subsidiary national banks are subject to regulation and examination primarily by the OCC and also by the FDIC, the FRB, the Consumer Financial Protection Bureau (the "**CFPB**"), the SEC and the Commodities Futures Trading Commission (the "**CFTC**"). Foreign branches and representative offices of the Group's subsidiary national banks are subject to regulation and examination by their respective foreign financial regulators as well as by the OCC and the FRB. Foreign subsidiaries of the Group's subsidiary national banks may be subject to the laws and regulations of the foreign countries in which they conduct business. The Group's state-chartered bank is subject to primary federal regulation and examination by the FDIC and, in addition, is regulated and examined by its state banking department.

***Non-bank subsidiaries***

Many of the Group's non-bank subsidiaries are also subject to regulation by the FRB and other applicable federal and state agencies. The Group's insurance subsidiaries are subject to regulation by the applicable state insurance regulatory agencies, as well as by the FRB. The Group's brokerage subsidiaries are regulated by the SEC, the Financial Industry Regulatory Authority and, in some cases, the CFTC and the Municipal Securities Rulemaking Board, and state securities regulators. The Group's other non-bank subsidiaries may be subject to the laws and regulations of the federal government and/or the various states as well as the foreign countries in which they conduct business.

***Financial holding company activities***

The Issuer elected to become a financial holding company effective 13 March 2000, and continues to maintain its status as a bank holding company for the purposes of other FRB regulations. As a bank holding company that has elected to become a financial holding company pursuant to the BHC Act, the Issuer may affiliate with securities firms and insurance companies and engage in other activities that are financial in nature or incidental or complementary to activities that are financial in nature. "Financial in nature" activities include securities underwriting, dealing and market-making, sponsoring mutual funds and investment companies, insurance underwriting and agency, merchant banking and activities that the FRB, in consultation with the Secretary of the Treasury Department, determines from time to time to be financial in nature or incidental to such financial activity. "Complementary activities" are activities that the FRB determines upon application to be complementary to a financial activity and do not pose a safety and soundness risk.

FRB approval is generally not required for the Issuer to acquire a company (other than a bank holding company, bank or savings association) engaged in activities that are financial in nature or incidental to activities that are financial in nature, as determined by the FRB. Prior notice to the FRB may be required, however, if the Issuer to be acquired has total consolidated assets of U.S.$10 million or more. Prior FRB approval is also required before the Issuer may acquire the beneficial ownership or control of more than 5 per cent. of the voting shares or substantially all of the assets of a bank holding company, bank or savings association. In addition, the FRB has implemented a final rule under the Dodd-Frank Act that also prohibits the Issuer's ability to merge, acquire all or substantially all the assets of, or acquire control of another company if the total resulting consolidated liabilities would exceed 10 per cent. of the aggregate consolidated liabilities of all financial companies.

Since the Issuer is a financial holding company, if any of its subsidiary banks receives a rating under the Community Reinvestment Act of 1977, as amended (the "**CRA**"), of less than satisfactory, the Issuer will be prohibited, until the rating is raised to satisfactory or better, from engaging in new activities or acquiring companies other than bank holding companies, banks or savings associations, except that the Issuer could engage in new activities, or acquire companies engaged in activities, that are closely related to banking under the BHC Act. In March 2017, the Issuer announced that the OCC had downgraded its most recent CRA rating, which covers the years 2009-2012, to "Needs to Improve" due to previously issued regulatory consent orders and, thus, the Issuer is subject to, among other things, the prohibitions noted above. In addition, if the FRB finds that any of the Issuer or any of the Issuer's subsidiary banks is not well capitalised or well managed, the Issuer would be required to enter into an agreement with the FRB to comply with all applicable capital and management requirements, and this agreement may contain additional limitations or conditions. Until the problem is corrected, the Issuer could be prohibited from engaging in any new activity or acquiring companies engaged in activities that are not closely related to banking under the BHC Act without prior FRB approval. If the Issuer fails to meet any such condition within a prescribed period, the FRB could order the Issuer to divest its banking subsidiaries or, alternatively, to cease engaging in activities other than those closely related to banking under the BHC Act.

***Interstate banking***

Under the Riegle-Neal Interstate Banking and Branching Act (the "**Riegle-Neal Act**"), a bank holding company may acquire banks in states other than its home state, subject to any state requirement that the bank has been organised and operating for a minimum period of time, not to exceed five years, and the requirement that the bank holding company not control, prior to or following the proposed acquisition, more than 10 per cent. of the total amount of deposits of insured depository institutions nationwide or, unless the acquisition is the bank holding company's initial entry into the state, more than 30 per cent. of such deposits in the state (or such lesser or greater amount as is set by the state).

The Riegle-Neal Act also authorises banks to merge across state lines, subject to the same deposit limits noted above, thereby creating interstate branches. Banks are also permitted to acquire and to establish new branches in other states.

***Regulatory approval***

In determining whether to approve a proposed bank acquisition, federal banking regulators will consider, among other factors, the effect of the acquisition on competition, financial condition and future prospects including current and projected capital ratios and levels, the competence, experience and integrity of management and its record of compliance with laws and regulations, the convenience and needs of the communities to be served, including the acquiring institution's record of compliance under the CRA, the effectiveness of the acquiring institution in combating money-laundering activities and the risk to the stability of the United States banking system.

***Dividend restrictions***

The Issuer is a legal entity separate and distinct from its subsidiary banks and other subsidiaries. A significant source of funds to pay dividends on its common and preferred stock and principal and interest on its debt is dividends from its subsidiaries. Various federal and state statutory provisions and regulations limit the amount of dividends the Issuer's bank and non-bank subsidiaries may pay without regulatory approval.

Federal banking regulators have the authority to prohibit the Issuer's subsidiary banks from engaging in unsafe or unsound practices in conducting their businesses. The payment of dividends, depending on the financial condition of the bank in question, could be deemed an unsafe or unsound practice. The ability of the Issuer's subsidiary banks to pay dividends in the future is currently, and could be further, influenced by bank regulatory policies and capital guidelines.

Furthermore, under a Support Agreement, the IHC may be restricted from making dividend payments to the Issuer if certain liquidity and/or capital metrics fall below defined triggers. Any such restriction could materially and adversely impact the Issuer's liquidity and its ability to satisfy its debt and other obligations, as well as its ability to make dividend payments on its common and preferred stock.

In addition to these restrictions on the ability of the Group's subsidiary banks to pay dividends to the Issuer, the FRB requires large BHCs, including the Issuer, to submit annual capital plans and to obtain regulatory approval before making capital distributions, such as the payment of dividends. The FRB also finalised rules implementing in the United States the Basel Committee on Banking Supervision's regulatory capital guidelines, including the reforms known as Basel III which established various capital requirements for U.S. banking organisations. Moreover, federal banking regulators have finalised a rule that enhances the supplementary leverage ratio requirements for large BHCs, like the Issuer, and their insured depository institutions. The Issuer is also subject to the FRB's rule implementing an additional capital surcharge on those U.S. banking organisations, such as the Issuer, that are designated as G-SIBs. The failure to maintain any of these minimum capital ratios, leverage ratios or buffers could result in limitations or restrictions on the Issuer's ability to make capital distributions.

In addition, the FRB's enhanced supervision regulations for large BHCs, like the Issuer, impose capital distribution restrictions, including on the payment of dividends, upon the occurrence of capital, stress test, risk management or liquidity risk management triggers.

***Holding company structure***

*Transfer of funds from subsidiary banks.* The Issuer's subsidiary banks are subject to restrictions under federal law that limit the transfer of funds or other items of value from such subsidiaries to the Issuer and its non-bank subsidiaries (including affiliates) in so-called "covered transactions". In general, covered transactions include loans and other extensions of credit, investments and asset purchases, as well as certain other transactions involving the transfer of value from a subsidiary bank to an affiliate or for the benefit of an affiliate. Unless an exemption applies, covered transactions by a subsidiary bank with a single affiliate are limited to 10 per cent. of the subsidiary bank's capital and surplus and, with respect to all covered transactions with affiliates in the aggregate, to 20 per cent. of the subsidiary bank's capital and surplus. Also, loans and extensions of credit to affiliates are generally required to be secured by qualifying collateral. A bank's transactions with its non-bank affiliates are also generally required to be on arm's-length terms.

*Source of strength.* The FRB has a policy that a bank holding company is expected to act as a source of financial and managerial strength to each of its subsidiary banks and, under appropriate circumstances, to commit resources to support each such subsidiary bank. This support may be required at times when the bank holding company does not have the resources to provide the support.

The OCC might order an assessment of the Issuer if the capital of one of its national bank subsidiaries were to become impaired. If the Issuer failed to pay the sum resulting from such assessment within three months, the OCC could order the sale of the Issuer's stock in the national bank to cover the deficiency.

*Depositor preference.* In the event of the "liquidation or other resolution" of an insured depository institution, the claims of deposits payable in the United States (including the claims of the FDIC as subrogee of insured depositors) and certain claims for administrative expenses of the FDIC as a receiver will have priority over other general unsecured claims against the institution. If an insured depository institution fails, claims of insured and uninsured U.S. depositors, along with the FDIC, will have priority in payment ahead of unsecured creditors, including the Issuer, and depositors whose deposits are solely payable at such insured depository institution's non-U.S. offices.

*Liability of commonly controlled institutions.* All of the Issuer's subsidiary banks are insured by the FDIC. FDIC-insured depository institutions can be held liable for any loss incurred, or reasonably expected to be incurred, by the FDIC due to the default of an FDIC-insured depository institution controlled by the same bank holding company, and for any assistance provided by the FDIC to an FDIC-insured depository institution that is in danger of default and that is controlled by the same bank holding company. "Default" means generally the appointment of a conservator or receiver. "In danger of default" means generally the existence of certain conditions indicating that a default is likely to occur in the absence of regulatory assistance.

***Dodd-Frank Act***

The Dodd-Frank Act, enacted on 21 July 2010, has resulted in broad changes to the U.S. financial system and is the most significant financial reform legislation since the 1930s. The Dodd-Frank Act and the numerous rules to implement its provisions have resulted in enhanced regulation and supervision of large BHCs, such as the Issuer. This includes, among other things, rules to promote financial stability and prevent

or mitigate the risks that may arise from the material distress or failure of a large BHC; enhance consumer protections; prohibit proprietary trading; and implement enhanced prudential requirements for large BHCs regarding risk-based capital and leverage, risk and liquidity management, stress testing and recovery and resolution planning. The Dodd-Frank Act, including current and future rules implementing its provisions and the interpretation of those rules, has affected, and the Group expects will continue to affect, most of its businesses in some way, either directly through regulation of specific activities or indirectly through regulation of concentration risks, capital or liquidity. For more information about the Dodd-Frank Act, please see "*—Regulatory changes—Dodd-Frank Act*" below.

***Capital requirements and planning***

The Issuer and each of its insured depository institutions are subject to various regulatory capital adequacy requirements administered by federal banking regulators. These capital rules, among other things, establish required minimum ratios relating capital to different categories of assets and exposures. Federal banking regulators have also finalised rules to impose a supplementary leverage ratio on large BHCs like the Issuer and its insured depository institutions and to implement a liquidity coverage ratio. The FRB has also finalised new rules to address the amount of equity and unsecured long-term debt a company must hold to improve its resolvability and resiliency, often referred to as total loss absorbing capacity.

From time to time, the FRB and the Federal Financial Institutions Examination Council propose changes and amendments to, and issue interpretations of, risk-based capital guidelines and related reporting instructions. In addition, the FRB closely monitors the capital levels of the institutions it supervises, and may require such institutions to modify capital levels based on FRB determinations. Such determinations, proposals and/or interpretations could, if implemented in the future, affect the Group's reported capital ratios and net risk-adjusted assets.

As an additional means to identify problems in the financial management of depository institutions, the Federal Deposit Insurance Act (the "**FDI Act**") requires federal banking regulators to establish certain non-capital safety and soundness standards for institutions for which they are the primary federal regulators. The standards relate generally to operations and management, asset quality, interest rate exposure, executive compensation and risk management. The agencies are authorised to take action against institutions that fail to meet such standards.

The FDI Act requires federal banking regulators to take "prompt corrective action" with respect to FDIC-insured depository institutions that do not meet minimum capital requirements. A depository institution's treatment for purposes of the prompt corrective action provisions will depend upon how its capital levels compare to various capital measures and certain other factors, as established by regulation.

In addition, the FRB's capital plan rule requires large BHCs to submit capital plans annually for review to determine if the FRB has any objections before making any capital distributions. The rule requires updates to capital plans in the event of material changes in a BHC's risk profile, including as a result of any significant acquisitions. Federal banking regulators also require stress tests to evaluate whether an institution has sufficient capital to continue to operate during periods of adverse economic and financial conditions. For more information on the Issuer's capital requirements and planning, please see *"—Capital management—Regulatory capital guidelines*" and *"—Capital management —Capital planning and stress testing*" above.

***Deposit insurance assessments***

The Group's subsidiary banks, including Wells Fargo Bank, N.A., are members of the Deposit Insurance Fund ("**DIF**") maintained by the FDIC. Through the DIF, the FDIC insures the deposits of the Group's banks up to prescribed limits for each depositor and funds the DIF through assessments on member banks. To maintain the DIF, member institutions are assessed an insurance premium based on an assessment base and an assessment rate.

The Dodd-Frank Act gave the FDIC greater discretion to manage the DIF, changed the assessment base from domestic deposits to average assets less average tangible equity, and mandated a minimum Designated Reserve Ratio ("**reserve ratio**" or "**DRR**") of 1.35 per cent. The FDIC board adopted a Restoration Plan to ensure that the DIF reserve ratio reaches 1.35 per cent. by 30 September 2020, as required by the Dodd-Frank Act, and, in March 2016, issued a final rule to meet this DRR level. The final rule, which became effective on 1 July 2016, imposed on insured depository institutions with U.S.$10 billion or more in assets,

such as the Bank, a surcharge of 4.5 cents per U.S.$100 of their assessment base, after making certain adjustments. The surcharge was in addition to the base assessments paid by the affected institutions. The surcharge was completed in the third quarter of 2018. In addition to ensuring that the DIF reserve ratio reached the statutory minimum of 1.35 per cent. by 30 September 2020, the FDIC Board also finalised a comprehensive, long-range plan for DIF management, whereby the DRR has been targeted at 2 per cent.

In addition to the base assessments and any proposed surcharge, all FDIC-insured depository institutions must also pay a quarterly assessment towards interest payments on bonds issued by the Financing Corporation, a federal corporation chartered under the authority of the Federal Housing Finance Board. This assessment was 0.46 per cent. of the assessable deposit base for the first quarter of 2018, 0.44 per cent. for the second quarter of 2018, and was 0.32 per cent. for the third and fourth quarters of 2018. For the year ended 31 December 2018, the Issuer's FDIC deposit insurance assessments, including FICO assessments, totalled U.S.$1.1 billion.

The FDIC may terminate a depository institution's deposit insurance upon a finding that the institution's financial condition is unsafe or unsound or that the institution has engaged in unsafe or unsound practices or has violated any applicable rule, regulation, order or condition enacted or imposed by the institution's regulatory agency. The termination of deposit insurance for one or more of the Group's bank subsidiaries could have a material adverse effect on the Group's earnings, depending on the collective size of the particular banks involved.

***Fiscal and monetary policies***

The Group's business and earnings are significantly affected by the fiscal and monetary policies of the federal government and its agencies. The Group is particularly affected by the policies of the FRB, which regulates the supply of money and credit in the United States. Among the instruments of monetary policy available to the FRB are (i) conducting open-market operations in United States government securities, (ii) changing the discount rates of borrowings of depository institutions, (iii) imposing or changing reserve requirements against depository institutions' deposits, and (iv) imposing or changing reserve requirements against certain borrowings by banks and their affiliates. These methods are used in varying degrees and combinations to directly affect the availability of bank loans and deposits, as well as the interest rates charged on loans and paid on deposits. The policies of the FRB may have a material effect on the Group's business, results of operations and financial condition.

***Privacy provisions of the Gramm-Leach-Bliley Act and restrictions on affiliate marketing***

Federal banking regulators, as required under the Gramm-Leach-Bliley Act (the "**GLB Act**"), have adopted rules limiting the ability of banks and other financial institutions to disclose non-public information about consumers to non-affiliated third parties. The rules require disclosure of privacy policies to consumers and, in some circumstances, allow consumers to prevent disclosure of certain personal information to non-affiliated third parties. The privacy provisions of the GLB Act affect how consumer information is transmitted through diversified financial services companies and conveyed to outside vendors. Federal financial regulators have issued regulations under the Fair and Accurate Credit Transactions Act that have the effect of increasing the length of the waiting period, after privacy disclosures are provided to new customers, before information can be shared among different affiliated companies for the purpose of marketing products and services by those affiliated companies.

***Sarbanes-Oxley Act of 2002***

The Sarbanes-Oxley Act of 2002 ("**Sarbanes-Oxley**") implemented a broad range of corporate governance and accounting measures to increase corporate responsibility, to provide for enhanced penalties for accounting and auditing improprieties at publicly traded companies, and to protect investors by improving the accuracy and reliability of disclosures under federal securities laws. The Group is subject to Sarbanes-Oxley because it is required to file periodic reports with the SEC under the Securities and Exchange Act of 1934. Among other things, Sarbanes-Oxley and/or its implementing regulations established membership requirements and additional responsibilities for the Group's audit committee, imposed restrictions on the relationship between the Group and its outside auditors (including restrictions on the types of non-audit services the Group's auditors may provide to the Group), imposed additional responsibilities for the Group's external financial statements on the Group's chief executive officer and chief financial officer, expanded the disclosure requirements for the Group's corporate insiders, required the Group's management to evaluate the Group's disclosure controls and procedures and the Group's internal control over financial reporting,

and required the Group's independent registered public accounting firm to issue a report on the Group's internal control over financial reporting.

***Patriot Act***

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**") is intended to strengthen the ability of U.S. law-enforcement agencies and intelligence communities to work together to combat terrorism on a variety of fronts. The Patriot Act has significant implications for depository institutions, brokers, dealers and other businesses involved in the transfer of money. The Patriot Act required the implementation of policies and procedures relating to anti-money-laundering, compliance, suspicious activities, and currency transaction reporting and due diligence on customers. The Patriot Act also requires federal banking regulators to evaluate the effectiveness of an applicant in combating money-laundering in determining whether to approve a proposed bank acquisition.

***Future legislation or regulation***

Economic, market and political conditions during the past few years have led to a significant amount of legislation and regulation in the U.S. and abroad affecting the financial services industry, as well as heightened expectations and scrutiny of financial services companies from banking regulators. Further legislative changes and additional regulations may change the Group's operating environment in substantial and unpredictable ways. Such legislation and regulation could increase the Group's cost of doing business, affect the Group's compensation structure, restrict or expand activities in which it may engage in or affect the competitive balance among banks, savings associations, credit unions and other financial institutions. The Group cannot predict whether future legislative proposals will be enacted or, if any is or are enacted, what effect it or they, or any implementing regulations, would have on the Group's business, results of operations or financial condition.

**Regulatory changes**

Since the enactment of the Dodd-Frank Act in 2010, the U.S. financial services industry has been subject to a significant increase in regulation and regulatory oversight initiatives. This increased regulation and oversight has substantially changed how most U.S. financial services companies conduct business and has increased their regulatory compliance costs. The following highlights the more significant regulations and regulatory oversight initiatives that have affected or may affect the Issuer's business.

***Dodd-Frank Act***

The Dodd-Frank Act is the most significant financial reform legislation since the 1930s and is driving much of the current U.S. regulatory reform efforts. The Dodd-Frank Act and many of its provisions became effective in July 2010 and July 2011. The following provides additional information on the Dodd-Frank Act, including the current status of certain of its rulemaking initiatives.

*Enhanced supervision and regulation of systemically important firms.* The Dodd-Frank Act grants broad authority to federal banking regulators to establish enhanced supervisory and regulatory requirements for systemically important firms. The FRB has finalised a number of regulations implementing enhanced prudential requirements for large bank holding companies ("**BHCs**") like the Issuer regarding risk-based capital and leverage, risk and liquidity management and imposing debt-to-equity limits on any BHC that regulators determine poses a grave threat to the financial stability of the United States. The FRB and OCC have also finalised rules implementing stress testing requirements for large BHCs and national banks. The FRB has also finalised enhanced prudential standards that implement single counterparty credit limits, and has proposed a rule to establish remediation requirements for large BHCs experiencing financial distress. Similarly, the FRB has proposed additional requirements regarding effective risk management practices at large BHCs, including its expectations for boards of directors and senior management. In addition to the authorisation of enhanced supervisory and regulatory requirements for systemically important firms, the Dodd-Frank Act also established the Financial Stability Oversight Council and the Office of Financial Research, which may recommend new systemic risk management requirements and require new reporting of systemic risks. The OCC, under separate authority, has also finalised guidelines establishing heightened governance and risk management standards for large national banks such as the Bank. The OCC guidelines require covered banks to establish and adhere to a written risk governance framework in order to manage and control their risk-taking activities. The guidelines also formalise roles and responsibilities for risk

management practices within covered banks and create certain risk oversight responsibilities for their boards of directors.

*Regulation of consumer financial products.* The Dodd-Frank Act established the CFPB to ensure consumers receive clear and accurate disclosures regarding financial products and to protect them from hidden fees and unfair, deceptive or abusive practices. With respect to residential mortgage lending, the CFPB issued a number of final rules implementing new origination, notification, disclosure and other requirements, as well as additional limitations on the fees and charges that may be increased from the estimates provided by lenders. In October 2015, the CFPB finalised amendments to the rule implementing the Home Mortgage Disclosure Act, resulting in a significant expansion of the data points lenders will be required to collect and report to the CFPB. The CFPB also expanded the transactions covered by the rule and increased the reporting frequency from annual to quarterly for large volume lenders, such as the Bank, beginning 1 January 2020. With respect to other financial products, in October 2016, the CFPB finalised rules, most of which become effective on 1 April 2019, to make prepaid cards subject to similar consumer protections as those provided by more traditional debit and credit cards such as fraud protection and expanded access to account information. In addition to these rulemaking activities, the CFPB is continuing its ongoing supervisory examination activities of the financial services industry with respect to a number of consumer businesses and products, including mortgage lending and servicing, fair lending requirements, student lending activities, and automobile finance.

*Volcker Rule.* The Volcker Rule, with limited exceptions, prohibits banking entities from engaging in proprietary trading or owning any interest in or sponsoring or having certain relationships with a hedge fund, a private equity fund or certain structured transactions that are deemed covered funds. On 10 December 2013, federal banking regulators, the SEC and the Consumer Futures Trading Commission ("**CFTC**") (collectively, the Volcker supervisory regulators) jointly released a final rule to implement the Volcker Rule's restrictions, and the FRB has proposed further rules to streamline and modify compliance with the Volcker Rule's requirements. As a banking entity with more than U.S.$50 billion in consolidated assets, the Issuer is also subject to enhanced compliance programme requirements.

*Regulation of swaps and other derivatives activities.* The Dodd-Frank Act established a comprehensive framework for regulating over-the-counter derivatives and authorised the CFTC and the SEC to regulate swaps and security-based swaps, respectively. The CFTC has adopted rules applicable to the Issuer's provisionally registered swap dealer, the Bank, that require, among other things, extensive regulatory and public reporting of swaps, central clearing and trading of swaps on exchanges or other multilateral platforms, and compliance with comprehensive internal and external business conduct standards. The SEC is expected to implement parallel rules applicable to security-based swaps. In addition, federal regulators have adopted final rules establishing initial and variation margin requirements for swaps and security-based swaps not centrally cleared, rules placing restrictions on a party's right to exercise default rights under derivatives and other qualified financial contracts against applicable banking organisations, and record-keeping requirements for qualified financial contracts. All of these new rules, as well as others being considered by regulators in other jurisdictions, may negatively impact customer demand for over-the-counter derivatives, impact the Issuer's ability to offer customers new derivatives or amendments to existing derivatives, and may increase the Issuer's costs for engaging in swaps, security-based swaps and other derivatives activities.

*Regulation of interchange transaction fees (the Durbin Amendment).* On 1 October 2011, the FRB rule enacted to implement the Durbin Amendment to the Dodd-Frank Act that limits debit card interchange transaction fees to those reasonable and proportional to the cost of the transaction became effective. The rule generally established that the maximum allowable interchange fee that an issuer may receive or charge for an electronic debit transaction is the sum of 21 cents per transaction and 5 basis points multiplied by the value of the transaction. On 31 July 2013, the U.S. District Court for the District of Columbia ruled that the approach used by the FRB in setting the maximum allowable interchange transaction fee impermissibly included costs that were specifically excluded from consideration under the Durbin Amendment. In August 2013, the FRB filed a notice of appeal of the decision to the United States Court of Appeals for the District of Columbia. In March 2014, the Court of Appeals reversed the District Court's decision, but did direct the FRB to provide further explanation regarding its treatment of the costs of monitoring transactions, which the FRB published in August 2015. The plaintiffs did not file a petition for rehearing with the Court of Appeals but filed a petition for writ of *certiorari* with the U.S. Supreme Court. In January 2015, the U.S. Supreme Court denied the petition for writ of *certiorari*.

***Regulatory capital guidelines and capital plans***

During 2013, federal banking regulators issued final rules that substantially amended the risk-based capital rules for banking organisations. The rules implement the Basel III regulatory capital reforms in the U.S., comply with changes required by the Dodd-Frank Act, and replace the existing Basel I-based capital requirements. The Issuer was required to begin complying with the rules on 1 January 2014, subject to phase-in periods that are scheduled to be fully phased-in by 1 January 2022. In 2014, federal banking regulators also finalised rules to impose a supplementary leverage ratio on large BHCs like the Issuer and its insured depository institutions and to implement the Basel III liquidity coverage ratio. For more information on the final capital, leverage and liquidity rules, and additional capital requirements applicable to the Issuer, see ("—*Capital management*") above.

***"Living will" requirements and related matters***

Rules adopted by the FRB and the FDIC under the Dodd-Frank Act require large financial institutions, including the Group, to prepare and periodically revise resolution plans, so-called "living-wills", that would facilitate their resolution in the event of material distress or failure. Under the rules, resolution plans are required to provide strategies for resolution under the U.S. Bankruptcy Code and other applicable insolvency regimes that can be accomplished in a reasonable period of time and in a manner that mitigates the risk that failure would have serious adverse effects on the financial stability of the United States. On 19 December 2017, the FRB and FDIC announced that the Issuer's most recent resolution plan submission did not have any deficiencies; however, they identified a specific shortcoming that would need to be addressed in the Issuer's next submission. The Issuer's national bank subsidiary, Wells Fargo Bank, N.A. (the "**Bank**"), is also required to prepare a resolution plan and submitted its 2018 resolution plan to the FDIC on 29 June 2018. If either the FRB or FDIC determine that the Issuer's resolution plan has deficiencies, they may impose more stringent capital, leverage or liquidity requirements on the Issuer or restrict its growth, activities or operations until it adequately remedies the deficiencies. If either the FRB or FDIC ultimately determine that the Issuer has been unable to remedy any deficiencies, they could require the Issuer to divest certain assets or operations.

The Issuer must also prepare and submit to the FRB a recovery plan that identifies a range of options that it may consider during times of idiosyncratic or systemic economic stress to remedy any financial weaknesses and restore market confidence without extraordinary government support. Recovery options include the possible sale, transfer or disposal of assets, securities, loan portfolios or businesses. The Bank must also prepare and submit to the OCC a recovery plan that sets forth the Bank's plan to remain a going concern when the Bank is experiencing considerable financial or operational stress, but has not yet deteriorated to the point where liquidation or resolution is imminent. If either the FRB or the OCC determine that the Issuer's or the Bank's recovery plan is deficient, they may impose fines, restrictions on the Group's business or ultimately require the Issuer to divest assets.

If the Issuer were to fail, it may be resolved in a bankruptcy proceeding or, if certain conditions are met, under the resolution regime created by the Dodd-Frank Act known as the "orderly liquidation authority". The orderly liquidation authority allows for the appointment of the FDIC as receiver for a systemically important financial institution that is in default or in danger of default if, among other things, the resolution of the institution under the U.S. Bankruptcy Code would have serious adverse effects on financial stability in the United States. If the FDIC is appointed as receiver for the Issuer, then the orderly liquidation authority, rather than the U.S. Bankruptcy Code, would determine the powers of the receiver and the rights and obligations of the Issuer's security holders. The FDIC's orderly liquidation authority requires that security holders of a company in receivership bear all losses before U.S. taxpayers are exposed to any losses, and allows the FDIC to disregard the strict priority of creditor claims under the U.S. Bankruptcy Code in certain circumstances.

Whether under the U.S. Bankruptcy Code or by the FDIC under the orderly liquidation authority, the Group could be resolved using a "multiple point of entry" strategy, in which the Issuer and one or more of its subsidiaries would each undergo separate resolution proceedings, or a "single point of entry" strategy, in which the Issuer would likely be the only material legal entity to enter resolution proceedings. The FDIC has announced that a single point of entry strategy may be desirable under its implementation of the orderly liquidation authority, but not all aspects of how the FDIC might exercise this authority are known and additional rulemaking is possible.

The strategy described in the Issuer's most recent resolution plan submission is a multiple point of entry strategy; however, the Issuer has made a decision to move to a single point of entry strategy for its next resolution plan submission. The Issuer is not obligated to maintain either a single point of entry or multiple point of entry strategy, whether conducted under the U.S. Bankruptcy Code or by the FDIC under the orderly liquidation authority.

To facilitate the orderly resolution of systemically important financial institutions in case of material distress or failure, federal banking regulations require that institutions, such as the Issuer, maintain a minimum amount of equity and unsecured debt to absorb losses and recapitalise operating subsidiaries. Federal banking regulators have also required measures to facilitate the continued operation of operating subsidiaries notwithstanding the failure of their parent companies, such as limitations on parent guarantees, and have issued guidance encouraging institutions to take legally binding measures to provide capital and liquidity resources to certain subsidiaries in order to facilitate an orderly resolution. In response to the regulators' guidance and to facilitate the orderly resolution of the Group under a multiple point of entry resolution strategy, the Issuer entered into the Support Agreement. Pursuant to the Support Agreement, the Issuer transferred a significant amount of its assets, including the majority of its cash, deposits, liquid securities and intercompany loans (but excluding its equity interests in its subsidiaries and certain other assets) to the IHC and will continue to transfer those types of assets to the IHC from time to time. In the event of the Group's material financial distress or failure that triggers resolution, the IHC will be obligated to use the transferred assets to provide capital and/or liquidity to the Bank pursuant to the Support Agreement and to WFS and WFCS through repurchase facilities entered into in connection with the Support Agreement. Under the Support Agreement, the IHC will also provide funding and liquidity to the Issuer through subordinated notes and a committed line of credit, which, together with the issuance of dividends, is expected to provide the Issuer, during business as usual operating conditions, with the same access to cash necessary to service its debts, pay dividends, repurchase its shares and perform its other obligations as it would have had if it had not entered into these arrangements and transferred any assets. Pursuant to the Support Agreement and the terms of the subordinated notes, if certain liquidity and/or capital metrics fall below defined triggers indicating severe financial distress, the subordinated notes would be automatically forgiven and the committed line of credit would terminate, which could materially and adversely impact the Issuer's liquidity and its ability to satisfy its debts and other obligations, including under the Notes, and could result in the commencement of bankruptcy proceedings by the Issuer at an earlier time than might have otherwise occurred if the Support Agreement were not implemented. The Issuer's and the IHC's respective obligations under the Support Agreement are secured pursuant to a related security agreement.

***Other regulatory-related matters***

*Broker-dealer standards of conduct.* In April 2018, the SEC proposed a rule that would require broker-dealers to act in the best interest of a retail customer when making a recommendation of any securities transaction or investment strategy involving securities. This rule may impact the manner in which business is conducted with customers seeking investment advice and may affect certain investment product offerings.

*OCC revocation of relief.* On 18 November 2016, the OCC revoked provisions of certain consent orders that provided the Bank relief from specific requirements and limitations regarding rules, policies, and procedures for corporate activities; OCC approval of changes in directors and senior executive officers; and golden parachute payments. As a result, the Bank is no longer eligible for expedited treatment for certain applications; is now required to provide prior written notice to the OCC of a change in directors and senior executive officers; and is now subject to certain regulatory limitations on golden parachute payments.

*Community Reinvestment Act (CRA) rating.* In March 2017, the Issuer announced that the OCC had downgraded its most recent CRA rating, which covers the years 2009-2012, to "Needs to Improve" due to previously issued regulatory consent orders. A "Needs to Improve" rating imposes regulatory restrictions and limitations on certain of the Group's non-bank activities, including its ability to engage in certain non-bank mergers and acquisitions or undertake new financial in nature activities, and CRA performance is taken into account by regulators in reviewing applications to establish bank branches and for approving proposed bank mergers and acquisitions. The rating also results in the loss of expedited processing of applications to undertake certain activities, and requires the Group to receive prior regulatory approval for certain activities, including to issue or prepay certain subordinated debt obligations, open or relocate bank branches, or make certain public welfare investments. In addition, a "Needs to Improve" rating could have an impact on the Group's relationships with certain states, counties, municipalities or other public agencies

to the extent applicable law, regulation or policy limits, restricts or influences whether such entity may do business with a company that has a below "Satisfactory" rating.

*FRB consent order regarding governance oversight and compliance and operational risk management.* On 2 February 2018, the Issuer entered into a consent order with the FRB. As required by the consent order, the board of directors of the Issuer submitted to the FRB a plan to further enhance the board of directors' governance and oversight of the Issuer, and the Issuer submitted to the FRB a plan to further improve the Group's compliance and operational risk management programme. The consent order requires the Issuer, following the FRB's acceptance and approval of the plans and the Issuer's adoption and implementation of the plans, to complete third-party reviews of the enhancements and improvements provided for in the plans. Until these third-party reviews are complete and the plans are approved and implemented to the satisfaction of the FRB, the Group's total consolidated assets will be limited to the level as of 31 December 2017. Compliance with this asset cap will be measured on a two-quarter daily average basis to allow for management of temporary fluctuations. The Company continues to have constructive dialogue with the FRB on an ongoing basis to clarify expectations, receive feedback and assess progress under the consent order. In order to have enough time to incorporate this feedback into the Issuer's plans in a thoughtful manner, adopt and implement the final plans as accepted by the FRB and complete the required third-party reviews, the Issuer is planning to operate under the asset cap until the end of 2019. Additionally, after removal of the asset cap, a second third-party review must also be conducted to assess the efficacy and sustainability of the enhancements and improvements.

*Consent orders with the CFPB and OCC regarding compliance risk management programme, automobile collateral protection insurance policies and mortgage interest rate lock extensions.* On 20 April 2018, the Group entered into consent orders with the CFPB and OCC to pay an aggregate of U.S.$1 billion in civil money penalties to resolve matters regarding the Group's compliance risk management programme and past practices involving certain automobile collateral protection insurance policies and certain mortgage interest rate lock extensions. As required by the consent orders, the Group submitted to the CFPB and OCC an enterprise-wide compliance risk management plan and a plan to enhance the Group's internal audit programme with respect to federal consumer financial law and the terms of the consent orders. In addition, as required by the consent orders, the Group submitted for non-objection plans to remediate customers affected by the automobile collateral protection insurance and mortgage interest rate lock matters, as well as a plan for the management of remediation activities conducted by the Group.

**Corporate governance**

The board of directors of the Issuer (the "**Board**") is committed to sound and effective corporate governance principles and practices. The Board has adopted corporate governance guidelines (the "**Guidelines**") to provide the framework for the governance of the Board and the Issuer. These Guidelines address, among other matters, the role of the Board, Board membership criteria, director retirement and resignation policies, the Issuer's director independence standards, information about the committees of the Board and information about other policies and procedures of the Board, including the majority vote standard for directors, management succession planning, director compensation and the Board's leadership structure. The Board reviews the Guidelines annually.

The Board has also adopted a code of ethics applicable to both directors and employees (the "**Code of Ethics**"). Further information about the Group's Guidelines and Code of Ethics are available on the Group's website, www.wellsfargo.com.

**Material litigation**

The Issuer and certain of its subsidiaries are involved in a number of judicial, regulatory, arbitration and other proceedings concerning matters arising from the conduct of the Group's business activities, and many of these proceedings expose the Group to financial loss. These proceedings include actions brought against the Issuer and/or its subsidiaries with respect to corporate-related matters and transactions in which the Issuer and/or its subsidiaries were or have been involved. In addition, the Group may be requested to provide information or otherwise cooperate with governmental authorities in the conduct of investigations of other persons or industry groups. Although there can be no assurance as to the ultimate outcome, the Issuer and/or its subsidiaries have generally denied, or believe they have a meritorious defence and will deny, liability in all significant pending legal actions, including the matters described below, and the Issuer and each affected subsidiary intend to defend vigorously each case, other than matters described as having

been settled. The Issuer establishes accruals for legal actions when potential losses associated with the actions become probable and the costs can be reasonably estimated. For such accruals, the Issuer records the amount it considers to be the best estimate within a range of potential losses that are both probable and estimable; however, if the Issuer cannot determine a best estimate, then it records the low end of the range of those potential losses. The actual costs of resolving legal actions may be substantially higher or lower than the amounts accrued for those actions.

***ATM access fee litigation***

In October 2011, plaintiffs filed a putative class action, Mackmin, et. al. v. Visa, Inc. et. al., against the Issuer, the Bank, Visa, MasterCard and several other banks in the United States District Court for the District of Columbia. The plaintiffs allege that the Visa and MasterCard requirement that if an ATM operator charges an access fee on Visa and MasterCard transactions, then that fee cannot be greater than the access fee charged for transactions on other networks violates antitrust rules. The plaintiffs sought treble damages, restitution, injunctive relief and attorneys' fees where available under federal and state law. Two other antitrust cases that make similar allegations were filed in the same court, but these cases did not name the Group as a defendant. On 13 February 2013, the district court granted defendants' motions to dismiss the three actions. The plaintiffs appealed the dismissals and, on 4 August 2015, the United States Court of Appeals for the District of Columbia Circuit vacated the district court's decisions and remanded the three cases to the district court for further proceedings. On 28 June 2016, the United States Supreme Court granted defendants' petitions for writ of *certiorari* to review the decisions of the United States Court of Appeals for the District of Columbia. On 17 November 2016, the United States Supreme Court dismissed the petitions as improvidently granted, and the three cases returned to the district court for further proceedings.

***Automobile lending matters***

On 20 April 2018, the Issuer entered into consent orders with the OCC and the CFPB to resolve, among other things, investigations by the agencies into the Issuer's compliance risk management programme and its past practices involving certain automobile collateral protection insurance ("**CPI**") policies and, as discussed below, certain mortgage interest rate lock extensions. The consent orders require remediation to customers and the payment of a total of U.S.$1.0 billion in civil money penalties to the agencies. In July 2017, the Issuer announced a plan to remediate customers who may have been financially harmed due to issues related to automobile CPI policies purchased through a third-party vendor on their behalf. Multiple putative class action cases alleging, among other things, unfair and deceptive practices relating to these CPI policies, have been filed against the Group and consolidated into one multi-district litigation in the United States District Court for the Central District of California. A putative class of shareholders also filed a securities fraud class action against the Issuer and its executive officers alleging material misstatements and omissions of CPI-related information in the Issuer's public disclosures. Former team members have also alleged retaliation for raising concerns regarding automobile lending practices. In addition, the Group has identified certain issues related to the unused portion of guaranteed automobile protection (GAP) waiver or insurance agreements between the customer and dealer and, by assignment, the lender, which will result in refunds to customers in certain states. Allegations related to the CPI and GAP programmes are among the subjects of shareholder derivative lawsuits pending in federal and state court in California. The court dismissed the state court action in September 2018, but plaintiffs filed an amended complaint in November 2018. Subject to full documentation and court approval, the parties have reached agreements in principle to resolve the shareholder derivative lawsuits pursuant to which the Issuer will pay plaintiffs' attorneys' fees and undertake certain business and governance practices. These and other issues related to the origination, servicing and/or collection of consumer automobile loans, including related insurance products, have also subjected the Group to formal or informal inquiries, investigations or examinations from federal and state government agencies. In December 2018, the Issuer entered into an agreement with all 50 state Attorneys General and the District of Columbia to resolve an investigation into the Issuer's retail sales practices, CPI and GAP, and mortgage interest rate lock matters, pursuant to which the Issuer paid U.S.$575 million.

***Consumer deposit account related regulatory investigation***

The CFPB is conducting an investigation into whether customers were unduly harmed by the Group's procedures regarding the freezing (and, in many cases, closing) of consumer deposit accounts after the Group detected suspected fraudulent activity (by third parties or account holders) that affected those

accounts. A former team member has brought a state court action alleging retaliation for raising concerns about these procedures.

***Fiduciary and custody account fee calculations***

Federal government agencies are conducting formal or informal inquiries, investigations or examinations regarding fee calculations within certain fiduciary and custody accounts in the Group's investment and fiduciary services business, which is part of the wealth management business within Wealth and Investment Management. The Group has determined that there have been instances of incorrect fees being applied to certain assets and accounts, resulting in both overcharges and undercharges to customers.

***Foreign exchange business***

Federal government agencies, including the United States Department of Justice ("**Department of Justice**"), are investigating or examining certain activities in the Group's foreign exchange business. The Group has accrued amounts to remediate customers that may have received pricing inconsistent with commitments made to those customers, and to rebate customers where historic pricing, while consistent with contracts entered into with those customers, does not conform to the Group's recently implemented standards and pricing.

***Interchange litigation***

Plaintiffs representing a putative class of merchants have filed putative class actions, and individual merchants have filed individual actions, against the Issuer and certain of its subsidiaries, including the Bank and Wachovia Bank, regarding the interchange fees associated with Visa and MasterCard payment card transactions. Visa, MasterCard and several other banks and bank holding companies are also named as defendants in these actions. These actions have been consolidated in the United States District Court for the Eastern District of New York. The amended and consolidated complaint asserts claims against defendants based on alleged violations of federal and state antitrust laws and seeks damages as well as injunctive relief. Plaintiff merchants allege that Visa, MasterCard and payment and issuing banks unlawfully colluded to set interchange rates. The plaintiffs also allege that enforcement of certain Visa and MasterCard rules and alleged tying and bundling of services offered to merchants are anticompetitive. The Issuer, together with Wachovia Corporation, along with other defendants and entities, is a party to Loss and Judgment Sharing Agreements, which provide that they, along with other entities, will share, based on a formula, in any losses from the Interchange Litigation. On 13 July 2012, Visa, MasterCard and the financial institution defendants, including the Issuer, signed a memorandum of understanding with the plaintiffs to resolve the consolidated class action and reached a separate settlement in principle of the consolidated individual actions. The settlement payments to be made by all defendants in the consolidated class and individual actions totalled approximately U.S.$6.6 billion before reductions applicable to merchants opting out of the settlement. The class settlement also provided for the distribution to merchants of 10 basis points of default interchange across all credit rate categories for a period of eight consecutive months. The district court granted final approval of the settlement, which was appealed to the United States Court of Appeals for the Second Circuit by settlement objector merchants. Other merchants opted out of the settlement and are pursuing several individual actions. On 30 June 2016, the Second Circuit vacated the settlement agreement and reversed and remanded the consolidated action to the United States District Court for the Eastern District of New York for further proceedings. On 23 November 2016, prior class counsel filed a petition to the United States Supreme Court seeking review of the reversal of the settlement by the Second Circuit, and the Supreme Court denied the petition in March 2017. On 30 November 2016, the district court appointed lead class counsel for a damages class and an equitable relief class. The parties have entered into a settlement agreement to resolve the money damages class claims pursuant to which defendants will pay a total of approximately U.S.$6.2 billion, which includes approximately U.S.$5.3 billion of funds remaining from the 2012 settlement and U.S.$900 million in additional funding. The Group's allocated responsibility for the additional funding is approximately U.S.$94.5 million. The court granted preliminary approval of the settlement in January 2019, and scheduled a final approval hearing for 7 November 2019. Several of the opt-out litigations were settled during the pendency of the Second Circuit appeal while others remain pending. Discovery is proceeding in the opt-out litigations and the equitable relief class case.

***Low income housing tax credits***

Federal government agencies have undertaken formal or informal inquiries or investigations regarding the manner in which the Group purchased, and negotiated the purchase of, certain federal low income housing tax credits in connection with the financing of low income housing developments.

***Mortgage bankruptcy loan modification litigation***

Plaintiffs, representing a putative class of mortgage borrowers who were debtors in Chapter 13 bankruptcy cases, filed a putative class action, Cotton, et al. v. Wells Fargo, et al, against the Issuer and the Bank in the United States Bankruptcy Court for the Western District of North Carolina on 7 June 2017. Plaintiffs allege that the Group improperly and unilaterally modified the mortgages of borrowers who were debtors in Chapter 13 bankruptcy cases. Plaintiffs allege that the Group implemented these modifications by improperly filing mortgage payment change notices in Chapter 13 bankruptcy cases, in violation of bankruptcy rules and process. The amended complaint asserts claims based on, among other things, alleged fraud, violations of bankruptcy rules and laws, and unfair and deceptive trade practices. The amended complaint seeks monetary damages, attorneys' fees and declaratory and injunctive relief. The parties have entered into a settlement agreement pursuant to which the Group will pay U.S.$13.5 million to resolve the claims. On 24 October 2018, the court granted preliminary approval of the settlement, scheduled, and held the final fairness hearing on 4 March 2019. On 15 March 2019, the court entered the order, formally approving the settlement.

***Mortgage interest rate lock related regulatory investigation***

On 20 April 2018, the Issuer entered into consent orders with the OCC and CFPB to resolve, among other things, investigations by the agencies into the Issuer's compliance risk management programme and its past practices involving certain automobile CPI policies and certain mortgage interest rate lock extensions. The consent orders require remediation to customers and the payment of a total of U.S.$1.0 billion in civil money penalties to the agencies. On 4 October 2017, the Group announced plans to reach out to all home lending customers who paid fees for mortgage rate lock extensions requested from 16 September 2013, through 28 February 2017, and to provide refunds, with interest, to customers who believe they should not have paid those fees. The Group was named in a putative class action, filed in the United States District Court for the Northern District of California, alleging violations of federal and state consumer fraud statutes relating to mortgage rate lock extension fees. The Group filed a motion to dismiss and the court granted the motion. Subsequently, a putative class action was filed in the United States District Court for the District of Oregon, raising similar allegations. The Group filed a motion to dismiss this action. In addition, former team members have asserted claims, including in pending litigation, that they were terminated for raising concerns regarding mortgage interest rate lock extension practices. Allegations related to mortgage interest rate lock extension fees are also among the subjects of two shareholder derivative lawsuits filed in California state court. This matter has also subjected the Group to formal or informal inquiries, investigations or examinations from other federal and state government agencies. In December 2018, the Issuer entered into an agreement with all 50 state Attorneys General and the District of Columbia to resolve an investigation into the Issuer's retail sales practices, CPI and GAP, and mortgage interest rate lock matters, pursuant to which the Issuer paid U.S.$575 million.

***Mortgage loan modification litigation***

Plaintiffs representing a putative class of mortgage borrowers have filed separate putative class actions against the Bank in the United States District Court for the Northern District of California and the United States District Court for the District of Washington. Plaintiffs allege that the Bank improperly denied mortgage loan modifications or repayment plans to customers in the foreclosure process due to the overstatement of foreclosure attorneys' fees that were included for purposes of determining whether a customer in the foreclosure process qualified for a mortgage loan modification or repayment plan.

***Mortgage-related regulatory investigations***

Federal and state government agencies, including the Department of Justice, and authorities have been investigating or examining certain mortgage-related activities of the Group and predecessor institutions. The Group, for itself and for predecessor institutions, has responded, or continues to respond, to requests from these agencies seeking information regarding the origination, underwriting and securitisation of residential mortgages, including sub-prime mortgages. These agencies have advanced theories of liability

with respect to certain of these activities. An agreement, pursuant to which the Group paid U.S.$2.09 billion, was reached in August 2018 to resolve the Department of Justice investigation, which related to certain 2005-2007 residential mortgage-backed securities activities. In addition, the Group reached an agreement with the Attorney General of the State of Illinois in November 2018 pursuant to which the Issuer paid U.S.$17 million in restitution to certain Illinois state pension funds to resolve a claim relating to certain residential mortgage-backed securities activities. Other financial institutions have entered into similar settlements with these agencies, the nature of which related to the specific activities of those financial institutions, including the imposition of significant financial penalties and remedial actions.

***OFAC-related investigation***

The Issuer has self-identified an issue whereby certain foreign banks utilised a Wells Fargo software-based solution to conduct import/export trade-related financing transactions with countries and entities prohibited by the Office of Foreign Assets Control ("**OFAC**") of the United States Department of the Treasury. The Issuer does not believe any funds related to these transactions flowed through accounts at the Group as a result of the aforementioned conduct. The Issuer has made voluntary self-disclosures to OFAC and is cooperating with an inquiry from the United States Department of Justice.

***Order of posting litigation***

Plaintiffs filed a series of putative class actions against Wachovia Bank and the Bank as well as many other banks, challenging the "high-to-low" order in which the banks post debit card transactions to consumer deposit accounts. Most of these actions were consolidated in multi-district litigation proceedings (the "**MDL proceedings**") in the United States District Court for the Southern District of Florida. The court in the MDL proceedings has certified a class of putative plaintiffs and the Bank moved to compel arbitration of the claims of unnamed class members.

The Court denied the motions to compel arbitration in October 2016, and the Bank appealed this decision to the United States Court of Appeals for the Eleventh Circuit. In May 2018, the Eleventh Circuit ruled in the Bank's favour and found that the Bank had not waived its arbitration rights and remanded the case to the district court for further proceedings. Plaintiffs filed a petition for rehearing to the Eleventh Circuit, which was denied in August 2018. Plaintiffs petitioned for *certiorari* from the United States Supreme Court, and that petition was denied in January 2019.

***Retail sales practices matters***

Federal, state and local government agencies, including the United States Department of Justice, the United States Securities and Exchange Commission ("**SEC**") and the United States Department of Labor; state attorneys general, including the New York Attorney General; and prosecutors' offices, as well as Congressional committees, have undertaken formal or informal inquiries, investigations or examinations arising out of certain retail sales practices of the Issuer that were the subject of settlements with the Consumer Financial Protection Bureau, the Office of the Comptroller of the Currency and the Office of the Los Angeles City Attorney announced by the Issuer on 8 September 2016. These matters are at varying stages. The Issuer has responded, and continues to respond, to requests from a number of the foregoing. In October 2018, the Issuer entered into an agreement to resolve the New York Attorney General's investigation pursuant to which the Issuer paid U.S.$65 million to the State of New York. In December 2018, the Issuer entered into an agreement with all 50 state Attorneys General and the District of Columbia to resolve an investigation into the Issuer's retail sales practices, CPI and GAP, and mortgage interest rate lock matters, pursuant to which the Issuer paid U.S.$575 million. The Issuer has also engaged in preliminary and/or exploratory resolution discussions with the Department of Justice and the SEC, although there can be no assurance as to the outcome of these discussions.

In addition, a number of lawsuits have also been filed by non-governmental parties seeking damages or other remedies related to these retail sales practices. First, various class plaintiffs purporting to represent consumers who allege that they received products or services without their authorisation or consent have brought separate putative class actions against the Group in the United States District Court for the Northern District of California and various other jurisdictions. In April 2017, the Issuer entered into a settlement agreement in the first-filed action, Jabbari v. Wells Fargo Bank, N.A., to resolve claims regarding certain products or services provided without authorisation or consent for the time period 1 May 2002 to 20 April 2017. Pursuant to the settlement, the Group will pay U.S.$142 million for remediation, attorneys' fees and settlement fund claims administration. In the unlikely event that the U.S.$142 million settlement total is not

enough to provide remediation, pay attorneys' fees, pay settlement fund claims administration costs and have at least U.S.$25 million left over to distribute to all class members, the Group will contribute additional funds to the settlement. In addition, in the unlikely event that the number of unauthorised accounts identified by settlement class members in the claims process and not disputed by the claims administrator exceeds the plaintiffs' 3.5 million account estimate, the Group will proportionately increase the U.S.$25 million reserve so that the ratio of reserve to unauthorised accounts is no less than what was implied by plaintiffs' estimate at the time of the district court's preliminary approval of the settlement in July 2017.

The district court issued an order granting final approval of the settlement on 14 June 2018. Several appeals of the district court's order granting final approval of the settlement have been filed with the United States Court of Appeals for the Ninth Circuit. The Issuer's shareholders brought a consolidated securities fraud class action in the United States District Court for the Northern District of California alleging certain misstatements and omissions in the Issuer's disclosures related to sales practices matters. The Issuer entered into a settlement agreement to resolve this matter pursuant to which the Issuer paid U.S.$480 million. The district court issued an order granting final approval of the settlement on 20 December 2018. The Issuer's shareholders have brought numerous shareholder derivative lawsuits asserting breach of fiduciary duty, among others, against current and former directors and officers for their alleged failure to detect and prevent sales practices issues. These action have been filed or transferred to the United States District Court for the Northern District of California and California state court for coordinated proceedings. An additional lawsuit asserting similar claims in Delaware state court has been stayed. Subject to full documentation and court approval, the parties have reached an agreement in principle to resolve the shareholder derivative lawsuits pursuant to which insurance carriers will pay the Issuer approximately U.S.$240 million for alleged damage to the Issuer, and the Issuer will pay plaintiffs' attorneys' fees. Multiple employment litigation matters have been brought against the Group, including an Employee Retirement Income Security Act (ERISA) class action in the United States District Court for the District of Minnesota on behalf of 401(k) plan participants that has been dismissed and is now on appeal; a class action in the United States District Court for the Northern District of California on behalf of team members who allege that they protested sales practice misconduct and/or were terminated for not meeting sales goals that has now been dismissed, and the Issuer has entered into a framework with plaintiffs' counsel to address individual claims that have been asserted; various wage and hour class actions brought in federal and state court in California (which have been settled), New Jersey, and Pennsylvania on behalf of non-exempt branch based team members alleging that sales pressure resulted in uncompensated overtime; and multiple single-plaintiff Sarbanes-Oxley Act complaints and state law whistleblower actions filed with the United States Department of Labor or in various state courts alleging adverse employment actions for raising sales practice misconduct issues.

***RMBS trustee litigation***

In November 2014, a group of institutional investors (the "**Institutional Investor Plaintiffs**"), including funds affiliated with BlackRock, Inc., filed a putative class action in the United States District Court for the Southern District of New York against the Bank alleging claims against the Group in its capacity as trustee for a number of residential mortgage-backed securities ("**RMBS**") trusts (the "**Federal Court Complaint**"). Similar complaints have been filed against other trustees in various courts, including in the Southern District of New York, in the New York state court and in other states by RMBS investors. The Federal Court Complaint alleges that the Bank, as trustee, caused losses to investors and asserts causes of action based upon, among other things, the trustee's alleged failure to notify and enforce repurchase obligations of mortgage loan sellers for purported breaches of representations and warranties, notify investors of alleged events of default, and abide by appropriate standards of care following alleged events of default. Plaintiffs seek money damages in an unspecified amount, reimbursement of expenses and equitable relief. In December 2014 and December 2015, certain other investors filed four complaints alleging similar claims against the Bank in the Southern District of New York (the "**Related Federal Cases**"), and the various cases pending against the Group are proceeding before the same judge. On 19 January 2016, the Southern District of New York issued an order in connection with the Federal Court Complaint dismissing claims related to certain of the trusts at issue (the "**Dismissed Trusts**"). The Group's motion to dismiss the Federal Court Complaint and the complaints for the Related Federal Cases was granted in part and denied in part in March 2017. In May 2017, the Group filed third-party complaints against certain investment advisers affiliated with the Institutional Investor Plaintiffs seeking contribution with respect to claims alleged in the Federal Court Complaint ("**Third-Party Claims**"). The investment advisers have moved to dismiss those complaints. On 17 April 2018, the Southern District of New York denied class certification in the Related Federal Case brought by Royal Park Investments SA/NV ("**Royal Park Action**").

A complaint raising similar allegations to those in the Federal Court Complaint was filed in May 2016 in New York state court by a different plaintiff investor. In December 2016, the Institutional Investor Plaintiffs filed a new putative class action complaint in New York state court in respect of 261 RMBS trusts, including the Dismissed Trusts, for which the Bank serves or served as trustee (the "**State Court Action**").

In July 2017, certain of the plaintiffs from the State Court Action filed a civil complaint relating to the Bank's setting aside reserves for legal fees and expenses in connection with the liquidation of eleven RMBS trusts at issue in the State Court Action (the "**Declaratory Judgment Action**"). The complaint seeks, among other relief, declarations that the Bank is not entitled to indemnification, the advancement of funds or the taking of reserves from trust funds for legal fees and expenses it incurs in defending the claims in the State Court Action. In November 2017, the Group's motion to dismiss the complaint was granted. Plaintiffs filed a notice of appeal in January 2018.

In November 2018, the Institutional Investor Plaintiffs and the Group entered into a settlement agreement pursuant to which, among other terms, the Group will pay U.S.$43 million to resolve the Federal Court Complaint and the State Court Action. The settlement will also resolve the Third-Party Claims and the Declaratory Judgment Action. The New York state court has scheduled a fairness hearing on the settlement for 6 May 2019. In addition, Royal Park Investments SA/NV and the Bank have reached an agreement resolving the Royal Park Action. Other than the Royal Park Action, the Related Federal Cases are not covered by these settlement agreements.

***Seminole Tribe trustee litigation***

The Seminole Tribe of Florida filed a complaint in Florida state court alleging that the Group, as trustee, charged excess fees in connection with the administration of a minor's trust and failed to invest the assets of the trust prudently. The complaint was later amended to include three individual current and former beneficiaries as plaintiffs and to remove the tribe as a party to the case. In December 2016, the Issuer filed a motion to dismiss the amended complaint on the grounds that the tribe is a necessary party and that the individual beneficiaries lack standing to bring claims. The motion was denied in June 2018. Trial is scheduled for October 2019.

***Wholesale Banking consent order investigation***

On 19 November 2015, the Issuer entered into a consent order with the OCC, pursuant to which the Wholesale Banking group was required to implement customer due diligence standards that include collection of current beneficial ownership information for certain business customers. The Issuer is responding to inquiries from various federal government agencies regarding potentially inappropriate conduct in connection with the collection of beneficial ownership information.

***Outlook***

As described above, the Group establishes accruals for legal actions when potential losses associated with the actions become probable and the costs can be reasonably estimated. The high end of the range of reasonably possible potential losses in excess of the Issuer's accrual for probable and estimable losses was approximately U.S.$2.7 billion as of 31 December 2018. The increase in the high end of the range from 30 September 2018 was due to a variety of matters, including the Issuer's existing retail sales practices matters. The outcomes of legal actions are unpredictable and subject to significant uncertainties, and it is inherently difficult to determine whether any loss is probable or even possible. It is also inherently difficult to estimate the amount of any loss and there may be matters for which a loss is probable or reasonably possible but not currently estimable. Accordingly, actual losses may be in excess of the established accrual or the range of reasonably possible loss. The Issuer is unable to determine whether the ultimate resolution of the retail sales practices matters will have a material adverse effect on its consolidated financial condition. Based on information currently available, advice of counsel, available insurance coverage and established reserves, the Issuer believes that the eventual outcome of other actions against the Issuer and/or its subsidiaries will not, individually or in the aggregate, have a material adverse effect on the Issuer's consolidated financial condition. However, it is possible that the ultimate resolution of a matter, if unfavourable, may be material to the Issuer's results of operations for any particular period.

**Selected financial information**

The following tables set out selected financial information from the Group's audited consolidated financial statements for years ended 31 December 2017 and 2018 and as at those dates.

## WELLS FARGO & COMPANY
## CONSOLIDATED STATEMENT OF INCOME

| | Year ended 31 December | |
|---|---|---|
| | 2018 | 2017 |
| | $ | |
| | *(in U.S.$ millions, except per share amounts)* | |
| Interest income | | |
| Debt securities (1) | 14,406 | 12,946 |
| Mortgage loans held for sale | 777 | 786 |
| Loans held for sale (1) | 140 | 50 |
| Loans | 43,974 | 41,388 |
| Equity securities (1) | 992 | 799 |
| Other interest income (1) | 4,358 | 2,940 |
| Total interest income | 64,647 | 58,909 |
| Interest expense | | |
| Deposits | 5,622 | 3,013 |
| Short-term borrowings | 1,717 | 758 |
| Long-term debt | 6,703 | 5,157 |
| Other interest expense | 610 | 424 |
| Total interest expense | 14,652 | 9,352 |
| Net interest income | 49,995 | 49,557 |
| Provision for credit losses | 1,744 | 2,528 |
| Net interest income after provision for credit losses | 48,251 | 47,029 |
| Non-interest income | | |
| Service charges on deposit accounts | 4,716 | 5,111 |
| Trust and investment fees | 14,509 | 14,495 |
| Card fees | 3,907 | 3,960 |
| Other fees | 3,384 | 3,557 |
| Mortgage banking | 3,017 | 4,350 |
| Insurance | 429 | 1,049 |
| Net gains from trading activities (1) | 602 | 542 |
| Net gains on debt securities (2) | 108 | 479 |
| Net gains from equity investments (1)(3) | 1,515 | 1,779 |
| Lease income | 1,753 | 1,907 |
| Other | 2,473 | 1,603 |
| Total non-interest income | 36,413 | 38,832 |
| Non-interest expense | | |
| Salaries | 17,834 | 17,363 |
| Commission and incentive compensation | 10,264 | 10,442 |
| Employee benefits | 4,926 | 5,566 |
| Equipment | 2,444 | 2,237 |
| Net occupancy | 2,888 | 2,849 |
| Core deposit and other intangibles | 1,058 | 1,152 |
| FDIC and other deposit assessments | 1,110 | 1,287 |
| Other | 15,602 | 17,588 |
| Total non-interest expense | 56,126 | 58,484 |
| Income before income tax expense | 28,538 | 27,377 |
| Income tax expense | 5,662 | 4,917 |
| Net income before non-controlling interests | 22,876 | 22,460 |
| Less: Net income from non-controlling interests | 483 | 277 |
| Wells Fargo net income | 22,393 | 22,183 |
| Less: Preferred stock dividends and other | 1,704 | 1,629 |
| Wells Fargo net income applicable to common stock | 20,689 | 20,554 |
| Per share information | | |
| Earnings per common share | 4.31 | 4.14 |
| Diluted earnings per common share | 4.28 | 4.10 |
| Dividends declared per common share | 1.640 | 1.540 |
| Average common shares outstanding | 4,799.7 | 4,964.6 |
| Diluted average common shares outstanding | 4,838.4 | 5,017.3 |

(1) Financial information for the prior periods has been revised to reflect presentation changes made in connection with the Issuer's adoption in first quarter 2018 of Accounting Standards Update (ASU) 2016-01 – Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. See Note 1 (Summary of Significant Accounting Policies) for more information.

(2) Total other-than-temporary impairment ("**OTTI**") losses were U.S.$17 million and U.S.$205 million for the years ended 31 December 2018 and 2017, respectively. Of total OTTI, losses of U.S.$28 million and U.S.$262 million were recognised in earnings, and losses (reversal of losses) of U.S.$(11) million and U.S.$(57) million were recognised as non-credit-related OTTI in other comprehensive income for the years ended 31 December 2018 and 2017, respectively.

(3) Includes OTTI losses of U.S.$352 million and U.S.$344 million for the years ended 31 December 2018 and 2017, respectively.

## WELLS FARGO & COMPANY
## CONSOLIDATED BALANCE SHEET

| | Year ended 31 December | |
|---|---|---|
| | **2018** | **2017** |
| | *$* | |
| | *(in U.S.$ millions, except per share amounts)* | |
| Assets | | |
| Cash and due from banks | 23,551 | 23,367 |
| Federal funds sold, securities purchased under resale agreements (1) | 80,207 | 80,025 |
| Debt securities: | | |
| Trading, at fair value (2) | 69,989 | 57,624 |
| Available-for-sale, at fair value (2) | 269,912 | 276,407 |
| Held-to-maturity, at cost (fair value $142,115 and $138,985) | 144,788 | 139,335 |
| Mortgages held for sale (includes $11,771 and $16,116 carried at fair value) (3) | 15,126 | 20,070 |
| Loans held for sale (includes $1,469 and $1,023 carried at fair value) (2)(3) | 2,041 | 1,131 |
| Loans (includes $244 and $376 carried at fair value) (3) | 953,110 | 956,770 |
| Allowance for loan losses | (9,775) | (11,004) |
| Net loans | 943,335 | 945,766 |
| Mortgage servicing rights: | | |
| Measured at fair value | 14,649 | 13,625 |
| Amortised | 1,443 | 1,424 |
| Premises and equipment, net | 8,920 | 8,847 |
| Goodwill | 26,418 | 26,587 |
| Derivative assets | 10,770 | 12,228 |
| Other assets (2) | 79,850 | 90,244 |
| Total assets (4) | 1,895,883 | 1,951,757 |
| Liabilities | | |
| Non-interest-bearing deposits | 349,534 | 373,722 |
| Interest-bearing deposits | 936,636 | 962,269 |
| Total deposits | 1,286,170 | 1,335,991 |
| Short-term borrowings | 105,787 | 103,256 |
| Derivative liabilities | 8,499 | 8,796 |
| Accrued expenses and other liabilities | 69,317 | 70,615 |
| Long-term debt | 229,044 | 225,020 |
| Total liabilities (5) | 1,698,817 | 1,743,678 |
| Equity | | |
| Wells Fargo stockholders' equity: | | |
| Preferred stock | 23,214 | 25,358 |
| Common stock – $1-2/3 par value, authorised 9,000,000,000 shares; issued 5,481,811,474 shares | 9,316 | 9,136 |
| Additional paid-in capital | 60,685 | 60,893 |
| Retained earnings | 158,163 | 145,263 |
| Cumulative other comprehensive income (loss) | (6,336) | (2,144) |
| Treasury stock – 900,557,866 shares and 590,194,846 shares | (47,194) | (29,892) |
| Unearned ESOP shares | (1,502) | (1,678) |
| Total Wells Fargo stockholders' equity | 196,166 | 206,936 |
| Non-controlling interests | 900 | 1,143 |
| Total equity | 197,066 | 208,079 |
| **Total liabilities and equity** | **1,895,883** | **1,951,757** |

(1) Financial information has been revised to reflect the impact of the Issuer's adoption in first quarter 2018 of ASU 2016-18 – Statement of Cash Flows (Topic 230): Restricted Cash in which the Issuer changed the presentation of its cash and cash equivalents to include both cash and due from banks as well as interest-earning deposits with banks, which are inclusive of any restricted cash. See Note 1 (Summary of Significant Accounting Policies) for more information.

(2) Financial information for the prior period has been revised to reflect presentation changes in connection with the Issuer's adoption in first quarter 2018 of ASU 2016-01 – Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. See Note 1 (Summary of Significant Accounting Policies) for more information.

(3) Parenthetical amounts represent assets and liabilities that the Issuer is required to carry at fair value or have elected the fair value option.

(4) The Issuer's consolidated assets at 31 December 2018 and 2017, include the following assets of certain variable interest entities ("**VIEs**") that can only be used to settle the liabilities of those VIEs: Cash and due from banks, U.S.$139 million and U.S.$116 million; Interest-bearing deposits with banks, U.S.$8 million and U.S.$371 million; Debt securities, U.S.$45 million and U.S.$0 million; Net loans, U.S.$13.6 billion and U.S.$12.5 billion; Derivative assets, U.S.$0 million and U.S.$0 million; Equity securities, U.S.$85 million and U.S.$306 million; Other assets, U.S.$221 million and U.S.$342 million; and Total assets, U.S.$14.1 billion and U.S.$13.6 billion, respectively.

(5) The Issuer's consolidated liabilities at 31 December 2018 and 2017, include the following VIE liabilities for which the VIE creditors do not have recourse to Wells Fargo: Derivative liabilities, U.S.$0 million and U.S.$5 million; Accrued expenses and other liabilities, U.S.$191 million and U.S.$132 million; Long-term debt, U.S.$816 million and U.S.$1.5 billion; and Total liabilities, U.S.$1.0 billion and U.S.$1.6 billion, respectively.

**Management**

***Board of directors***

The members of the board of directors of the Issuer as at the date of this Base Prospectus are as follows:

| Name | Title | Committee Membership | Principal outside activity (if any) |
|---|---|---|---|
| John D. Baker II | Director | 1,3 | Executive Chairman and CEO<br>FRP Holdings, Inc.<br>Jacksonville, Florida |
| Celeste A. Clark | Director | 2,3,5 | Principal<br>Abraham Clark Consulting<br>Battle Creek, Michigan |
| Theodore F. Craver, Jr. | Director | 1,4 | Retired Chairman, President and CEO<br>Edison International<br>Rosemead, California |
| Elizabeth A. Duke | Chair | 3,4,5,7 | Former member of the Federal Reserve Board of Governors<br>Washington, D.C. |
| Wayne M. Hewett | Director | 2,6,7 | Senior Advisor, Permira, and Chairman, DiversiTech Corporation |
| Donald M. James | Director | 4,5,6 | Retired Chairman,<br>Vulcan Materials Company<br>Birmingham, Alabama |
| Maria R. Morris | Director | 6,7 | Retired Executive Vice President and Head of Global Employee Benefits Business<br>MetLife, Inc.<br>New York, New York |
| Karen B. Peetz | Director | 6,7 | Retired President<br>The Bank of New York Mellon Corporation<br>New York, New York |
| Juan A. Pujadas | Director | 3,4,7 | Retired Vice Chairman<br>PricewaterhouseCoopers International Limited<br>London, United Kingdom |
| James H. Quigley | Director | 1,7 | CEO Emeritus and Retired Partner<br>Deloitte LLP<br>New York, New York |
| Ronald L. Sargent | Director | 1,2,5,6 | Retired Chairman and CEO<br>Staples, Inc.<br>Framingham, Massachusetts |
| Timothy J. Sloan | Director, CEO and President | | CEO and President<br>Wells Fargo & Company<br>San Francisco, California |

| Name | Title | Committee Membership | Principal outside activity (if any) |
|---|---|---|---|
| Suzanne M. Vautrinot | Director | 2,3,7 | President<br>Kilovolt, Inc.<br>San Antonio, Texas |

1. Audit and Examination (Chair—James H. Quigley)
2. Corporate Responsibility (Chair—Celeste A. Clark)
3. Credit (Chair—John D. Baker II)
4. Finance (Chair—Theodore F. Craver, Jr.)
5. Governance and Nominating (Chair—Donald M. James)
6. Human Resources (Chair—Ronald L. Sargent)
7. Risk (Chair—Maria R. Morris)

The business address of each of the directors referred to above is 420 Montgomery Street, San Francisco, California 94163.

There are no potential conflicts of interest between duties owed by the directors of the Issuer to the Issuer (or, as the case may be, to the Group) and their private interests or other duties. Further information regarding related party transactions is available at pages 51 to 52 of the Issuer's 2019 Proxy Statement, as incorporated by reference in this Base Prospectus.

*Executive officers*

There is no family relationship between any of the Issuer's executive officers or directors. All executive officers serve at the pleasure of the board of directors of the Issuer. The members of the operating committee of the Issuer as at the date of this Base Prospectus are as follows:

| Name | Title |
|---|---|
| David C. Galloreese ..... | Senior Executive Vice President, Human Resources Director |
| Richard D. Levy ..... | Executive Vice President and Controller |
| Mary T. Mack..... | Senior Executive Vice President, Community Banking and Consumer Lending |
| Avid Modjtabai ..... | Senior Executive Vice President, Payments, Virtual Solutions and Innovation |
| Amanda G. Norton | Senior Executive Vice President, Chief Risk Officer |
| C. Allen Parker..... | Senior Executive Vice President, General Counsel |
| Perry G. Pelos..... | Senior Executive Vice President, Wholesale Banking |
| John R. Shrewsberry ..... | Senior Executive Vice President and Chief Financial Officer |
| Timothy J. Sloan ..... | Chief Executive Officer and President |
| Jonathan G. Weiss..... | Senior Executive Vice President, Wealth and Investment Management |

*Audit and Examination Committee*

The Audit and Examination Committee is a standing audit committee of the board of directors of the Issuer as defined in Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The committee has four members: John D. Baker II, Theodore F. Craver, Jr., James H. Quigley (Chair), and Ronald L. Sargent. Each member is independent, as independence for audit committee members is defined by New York Stock Exchange and SEC rules. The board of directors of the Issuer has determined, in its business judgement, that each member of the committee is financially literate, as required by New York Stock Exchange rules, and that each qualifies as an "audit committee financial expert" as defined by Securities and Exchange Commission regulations.

## TAXATION

## UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of the material United States federal income tax consequences relevant to the purchase, beneficial ownership and disposition of the Notes. This summary is based on the United States Internal Revenue Code of 1986 (the "**Code**"), as amended, Treasury regulations promulgated thereunder ("**Treasury Regulations**"), administrative pronouncements of the United States Internal Revenue Service ("**IRS**") and judicial decisions, all as currently in effect and all of which are subject to change and to different interpretations. Changes to any of the foregoing authorities could apply on a retroactive basis, and could affect the United States federal income tax consequences described below. The Issuer will not seek a ruling from the IRS with respect to the matters discussed in this section and the Issuer cannot assure you that the IRS will not challenge one or more of the tax consequences described below.

This summary does not address all of the United States federal income tax considerations that may be relevant to a particular investor's circumstances, and does not discuss any aspect of United States federal tax law other than income taxation or any state, local or non-United States tax consequences of the purchase, ownership and disposition of the Notes by Non-United States Holders (as defined below). This summary addresses only Notes held as capital assets within the meaning of the Code (generally, property held for investment) and does not address United States federal income tax considerations applicable to investors that may be subject to special tax rules including certain former citizens or residents of the United States.

For purposes of the following discussion it is assumed that the Issuer will not issue Notes that are considered to be in bearer form for United States federal income tax purposes.

As used herein, a "**United States Holder**" is a beneficial owner of Notes that is, for United States federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organised in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate whose income is subject to United States federal income tax regardless of its source; or (iv) a trust if: (A) a United States court has the authority to exercise primary supervision over the administration of the trust and one or more United States persons (as defined under the Code) are authorised to control all substantial decisions of the trust; or (B) it has a valid election in place to be treated as a United States person. An individual may, subject to certain exceptions, be deemed to be a resident of the United States by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year and one-sixth of the days present in the second preceding year).

A "**Non-United States Holder**" is any beneficial owner of Notes that, for United States federal income tax purposes, is not a United States Holder and that is not a partnership (or other entity treated as a partnership for United States federal income tax purposes).

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) holds Notes, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. A partnership holding Notes, and partners in such a partnership, should consult their own tax advisors with regard to the United States federal income tax consequences of the purchase, ownership and disposition of the Notes by the partnership.

### United States Federal Income Taxation of Non-United States Holders

***Notes***

Under present United States federal income tax law, and subject to the discussion below concerning backup withholding and the discussion below under "*Foreign Account Tax Compliance Act*":

(a) Payments of interest (including Original Issue Discount or "**OID**", if any) on the Notes by the Issuer or the paying agent to any Non-United States Holder will be exempt from United States federal withholding tax and income tax, **provided that**, other than with respect to a Note with a maturity of 183 days or less:

- the Non-United States Holder does not own, actually or constructively, 10.00 per cent. or more of the total combined voting power of all classes of the Issuer's stock entitled to vote;

- the Non-United States Holder is not a controlled foreign corporation related, directly or indirectly, to the Issuer through stock ownership or a bank receiving interest described in Section 881(c)(3)(A) of the Code;

- the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the Treasury regulations thereunder;

- the interest is not effectively connected with the conduct of a trade or business within the United States; and

- on or before the first payment of interest or principal, the Non-United States Holder has provided the Paying Agent with a valid and properly executed IRS Form W-8 (or substitute or successor therefor) or other appropriate form of certification of non-United States status sufficient to establish a basis for exemption under sections 871(h)(2)(B) and 881(c)(2)(B) of the Code.

(b) A Non-United States Holder generally will not be subject to United States federal income tax on gain realised on the sale, retirement or other taxable disposition of the Notes, unless:

- the Non-United States Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met; or

- the gain is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States (or, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the Non-United States Holder in the United States).

Information reporting and, depending on the circumstances, backup withholding will apply to the payment of the proceeds of a sale of Notes that is effected within the United States or effected outside the United States through certain United States-related financial intermediaries, unless the Non-United States Holder certifies under penalty of perjury as to its non-United States status, and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person, or the Non-United States Holder otherwise establishes an exemption. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-United States Holder's United States federal income tax liability provided the required information is furnished to the IRS on a timely basis. Non-United States Holders of Notes should consult their tax advisers regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if applicable.

**Foreign Account Tax Compliance Act**

The Foreign Account Tax Compliance provisions (commonly referred to as "**FATCA**") (sections 1471 through 1474 of the Code) impose a 30 per cent. U.S. withholding tax on certain U.S. source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income ("**Withholdable Payments**"), if paid to a foreign financial institution (including amounts paid to a foreign financial institution on behalf of a holder), unless such institution enters into an agreement with the U.S. Treasury Department to collect and provide to the Treasury Department certain information regarding U.S. financial account holders, including certain account holders that are foreign entities with U.S. owners, with such institution or otherwise complies with FATCA (for example, by being compliant with an intergovernmental agreement relating to the implementation of FATCA). FATCA also generally imposes a withholding tax of 30 per cent. on Withholdable Payments made to other payees unless such payees provide the relevant withholding agents with certain certifications. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

These withholding and reporting requirements generally apply to U.S. source periodic payments. If amounts are withheld under FATCA with respect to the Notes, the Issuer will not be required to pay any additional

amounts in respect of such withholding. Prospective investors are urged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in the Notes.

**UNITED KINGDOM TAXATION**

The following, which applies only to persons who are beneficial owners of the Notes, is a summary of the Issuer's understanding of current law and Her Majesty's Revenue and Customs ("**HMRC**") published practice in the United Kingdom as at the date of this Base Prospectus relating to the withholding tax treatment of interest paid on the Notes and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in doubt as to their tax position or who may be subject to tax in the United Kingdom or in any other jurisdiction should seek their own professional advice.

Payments of interest on the Notes may be made without withholding on account of UK tax provided the payments of interest are not regarded as arising in the UK for UK tax purposes.

Interest which has a United Kingdom source ("**UK interest**") may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax:

(a) where the Notes in respect of which the UK interest is paid constitute "quoted Eurobonds". Notes which carry a right to interest will constitute quoted Eurobonds provided they are and continue to be listed on a recognised stock exchange. Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the FSMA) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom official list and admitted to trading on the Regulated Market of that Exchange; and/or

(b) where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from UK interest on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

HMRC have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the issuer pursuant to "*Description of the Notes—Substitution*" or otherwise and does not consider the tax consequences of any such substitution.

**The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Wells Fargo Securities International Limited, Wells Fargo Securities, LLC, Barclays Bank PLC, Credit Suisse Securities (Europe) Limited and Deutsche Bank AG, London Branch (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 21 March 2019, as may be amended from time to time (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "**Non-Syndicated**" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "**Syndicated**", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers will be set out in the relevant Final Terms. Any such agreement will, *inter alia,* make provision for the form and terms of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered, delivered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, and each further dealer or distributor will be required to agree, it will not offer, sell or deliver Notes: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further represented and agreed, and each further dealer or distributor will be required to further agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with all the offering restrictions of Regulation S of the Securities Act. Each Dealer will have sent to each distributor, dealer, person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the

Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

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

(b) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

**United Kingdom**

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking***:

in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion***:

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

(c) ***General compliance***:

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

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

**Singapore**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further

Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

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

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

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

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

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

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

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

**General**

Each Dealer has represented, warranted and agreed that (to the best of its knowledge and belief) it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed *"General"* above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer.

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme was authorised by resolutions adopted by the board of directors of the Issuer on 27 January 2009, which resolutions were superseded by resolutions adopted by the board of directors of the Issuer on 29 April 2014, 25 October 2016, and 23 January 2018 . The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Issuer Legal Entity Identifier (LEI)

The Legal Entity Identifier (LEI) code of the Issuer is PBLD0EJDB5FWOLXP3B76.

### Legal and Arbitration Proceedings

Save as disclosed in this Base Prospectus under "*Material litigation*" on pages 97 through 103, both inclusive, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer is aware) that may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

### Significant/Material Change

Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer. Since 31 December 2018, there has been no significant change in the financial or trading position of the Issuer or the Group.

### Auditors

The consolidated financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2017 have been audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) by KPMG LLP, an independent registered public accounting firm.

### Wells Fargo affiliates

Each of Wells Fargo Securities International Limited, which for the purposes of the Programme acts in the capacity of an Arranger as well as a Dealer, and Wells Fargo Securities, LLC, which for the purposes of the Programme acts in the capacity of a Dealer, is an affiliate of the Issuer.

### Documents on Display

Copies of the following documents may be inspected during normal business hours at the specified offices of the Principal Paying Agent in London for 12 months from the date of this Base Prospectus:

(a) the Restated Certificate of Incorporation of the Issuer;

(b) the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2018 and 31 December 2017;

(c) the Indentures;

(d) the Programme Manual (which contains the forms of the Bearer Notes in global and definitive form and the forms of the Registered Notes in Global Registered Note and Individual Note Certificate form); and

(e) the Issuer-ICSDs Agreement.

### Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other

clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, *société anonyme*, 42 Avenue JF Kennedy, L-1855 Luxembourg.

**Notes having a Maturity of Less Than One Year**

Where Notes have a maturity of less than one year and either: (a) the issue proceeds are received by the Issuer in the United Kingdom; or (b) the activity of issuing the Instruments is carried on from an establishment maintained by the Issuer in the United Kingdom, such Instruments must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

**Issue Price and Yield**

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes bearing interest at a fixed rate as set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

**INDEX OF DEFINED TERMS**

**ISSUER**

**Wells Fargo & Company**
420 Montgomery Street
San Francisco
California 94163

**ARRANGER**

**Wells Fargo Securities International Limited**
33 King William Street
London EC4R 9AT

**DEALERS**

**Barclays Bank PLC**
5 The North Colonnade
Canary Wharf
London El4 4BB

**Credit Suisse Securities (Europe) Limited**
One Cabot Square
Canary Wharf
London E14 4QJ

**Deutsche Bank AG, London Branch**
Winchester House
1 Great Winchester Street
London EC2N 2DB

**Wells Fargo Securities International Limited**
33 King William Street
London EC4R 9AT

**Wells Fargo Securities, LLC**
301 S. College Street
6th Floor
Charlotte
North Carolina 28202

**TRUSTEE, PRINCIPAL PAYING AGENT AND TRANSFER AGENT**

**Citibank, N.A., London Branch**
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Canada Square
Canary Wharf
London E14 5LB

**REGISTRAR**

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60323 Frankfurt am Main
Germany

**LEGAL ADVISERS**

*To the Issuer as to English and United States law:*

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10 Upper Bank Street
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*To the Dealers as to English and United States law:*

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London E1 6AD

**AUDITORS TO THE ISSUER**

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San Francisco, CA 94105