

## TERMS AND CONDITIONS OF THE W&C SECURITIES

*The following are the terms and conditions of the W&C Securities, which as completed, in the case of Non-Exempt W&C Securities (as defined below) in relation to any Series of W&C Securities by the applicable Final Terms, or as supplemented, modified or replaced, in the case of Exempt W&C Securities (as defined below) in relation to any Series of W&C Securities by the applicable Pricing Supplement, will be applicable to each Series of W&C Securities and shall be incorporated by reference in each Global W&C Security and the applicable Issue Terms attached thereto. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Issue Terms.*

The W&C Securities (other than the Finnish W&C Securities and the Swiss W&C Securities (each as defined below)) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated June 8, 2015 (as further amended, supplemented, restated or replaced, the **"Issue and Paying Agency Agreement"**) and made between Royal Bank of Canada (the **"Issuer"**), The Bank of New York Mellon, London Branch, in its capacities as issuing and principal paying agent and principal certificate and warrant agent (the **"Issuing and Paying Agent"**, which expression shall include any successor to The Bank of New York Mellon, London Branch in its capacity as such) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **"Registrar"**, which expression shall include any successor to The Bank of New York Mellon (Luxembourg) S.A. in its capacity as such and any additional registrars appointed, if any, in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The expression **"Paying Agents"** as used herein shall include the Issuing and Paying Agent and any additional agents appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The issuance of W&C Securities settled in Euroclear Finland (**"Finnish W&C Securities"**) is governed by a Finnish master issuing and paying agency agreement dated September 23, 2013 (as further amended, supplemented, restated or replaced, the **"Finnish Issuing and Paying Agent Agreement"**) and made between the Issuer and Nordea Bank Finland plc (the **"Finnish Issuing and Paying Agent"**, which expression shall include any successor to Nordea Bank Finland plc in its capacity as such provided that such successor is duly authorised under the Finnish Act on the Book-Entry System and Clearing Operations (*Fin: laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (749/2012)*)). Any references in the Terms and Conditions of the W&C Securities to "Issue and Paying Agency Agreement" shall be deemed to include, where the context so admits, reference to the Finnish Issuing and Paying Agent Agreement. A copy of the Finnish Issuing and Paying Agent Agreement (excluding the Finland Country Appendix) is available for inspection during normal business hours at the office of the Issuer. The Holders of W&C Securities governed by English law (including Swiss W&C Securities) are entitled to the benefit of the Deed of Covenant (as amended, supplemented, restated or replaced from time to time) (the **"Deed of Covenant"** dated June 8, 2015 and made by the Issuer. The original Deed of Covenant is held by a common depositary for the Clearing Systems (as defined below). The Holders of Finnish W&C Securities are entitled to the benefit of the Deed of Covenant (the **"Finnish Deed of Covenant"** as amended, supplemented, restated or replaced from time to time) dated June 8, 2015 and made by the Issuer. The original of the Finnish Deed of Covenant is held by the Issuing and Paying Agent. Copies of the Issue and Paying Agency Agreement, the Deed of Covenant and the Finnish Deed of Covenant are available for inspection during normal business hours at the specified office of the Issuing and Paying Agent or, in the case of the Swiss W&C Securities, the Swiss Programme and Paying Agent. All persons from time to time entitled to the benefit of obligations under the W&C Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the W&C Securities.

W&C Securities to be settled in SIX SIS (the “**Swiss W&C Securities**”) are issued pursuant to and in accordance with the Issue and Paying Agency Agreement as amended and supplemented by an amended and restated Swiss Supplemental Agency Agreement (as further amended, supplemented, restated or replaced from time to time, the “**Swiss Supplemental Agency Agreement**”) dated June 89, 2015 and made between the Issuer and BNP Paribas Securities Services, Paris, Zurich Branch (the “**Swiss Programme and Paying Agent**”). Any reference in the Terms and Conditions of the W&C Securities to “Issue and Paying Agency Agreement” in connection with Swiss W&C Securities shall be deemed to include reference to the Issue and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement. Copies of the Issue and Paying Agency Agreement and the Swiss Supplemental Agency Agreement are available for inspection during normal business hours and the specified office of the Swiss Programme and Paying Agent. All persons from time to time entitled to the benefit of obligations under the Swiss W&C Securities shall be deemed to have notice of, and shall be bound by, all other provisions of the Issue and Paying Agency Agreement as amended and supplemented by the Swiss Supplemental Agency Agreement.

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

The W&C Securities are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of W&C Securities.

References in these Terms and Conditions (the “**Terms and Conditions**” or the “**Conditions**”) to W&C Securities are to W&C Securities of the relevant Series and include the relevant Global W&C Security.

Each Tranche of Non-Exempt W&C Securities will be the subject of Final Terms (each, “**Final Terms**”), a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and each other Paying Agent. If the W&C Securities are to be admitted to trading on the regulated market of the Irish Stock Exchange the applicable Final Terms will be published on the website of the Irish Stock Exchange. If a W&C Security is not so listed but is not an Exempt W&C Security the applicable Final Terms will be published on the website of the Central Bank of Ireland ([www.centralbank.ie](http://www.centralbank.ie)) as the competent authority of the home member state for such W&C Security. If the Exempt W&C Security are to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange, the applicable Pricing Supplement will be published on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)). Each Tranche of Exempt W&C Securities will be the subject of a Pricing Supplement (each, a “**Pricing Supplement**”), a copy of which will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent only by a Holder of such W&C Securities.

References in these Conditions to the “**applicable Final Terms**” are, unless otherwise stated, to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Condition 12 and forming a single series with the W&C Securities) (which, for the

avoidance of doubt, may be issued in respect of more than one series of W&C Securities) attached to the Global W&C Security (as defined below) and references in these Conditions to the "**applicable Pricing Supplement**" are, unless otherwise stated, to Part A of the Pricing Supplement or each Pricing Supplement (in the case of any further securities issued pursuant to Condition 12 and forming a single series with the W&C Securities) (which, for the avoidance of doubt, may be issued in respect of more than one series of W&C Securities) attached to the Global W&C Security. For the purposes hereof, "**applicable Issue Terms**" means either (i) where the W&C Securities are Non-Exempt W&C Securities, the applicable Final Terms or (ii) where the W&C Securities are Exempt W&C Securities, the applicable Pricing Supplement, and should be construed accordingly.

The applicable Issue Terms for W&C Securities supplement these Conditions and, in the case of a W&C Security which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive (an "**Exempt W&C Security**"), the applicable Pricing Supplement, may specify other terms and conditions which shall to the extent so specified or to the extent that it is inconsistent with these Conditions, replace or modify these Conditions for the purposes of the W&C Securities. The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area. Any references to a "**Non-Exempt W&C Security**" are to a W&C Security that is not an Exempt W&C Security.

Royal Bank of Canada, London branch shall undertake the duties of calculation agent (the "**Calculation Agent**", which expression shall include any successor calculation agent) in respect of the W&C Securities unless another entity is so specified as Calculation Agent in the applicable Issue Terms in which case the expression Calculation Agent shall, in relation to such W&C Securities, be such other specified Calculation Agent.

## **1. Form, Type, Title and Transfer**

### ***Type***

**1.01** The W&C Securities are either redeemable certificates ("**Redeemable Certificates**"), exercisable certificates ("**Exercisable Certificates**") or warrants ("**Warrants**") as specified in the applicable Issue Terms.

In the case of Non-Exempt W&C Securities, the W&C Securities relate to an index or basket of indices ("**Index Linked W&C Securities**"), a specified currency or basket of currencies ("**Currency Linked W&C Securities**"), a single fund or a basket of funds ("**Fund Linked W&C Securities**"), a commodity or commodity index or a basket of commodities or commodity indices ("**Commodity Linked W&C Securities**"), a single equity security or a basket of equity securities ("**Equity Linked W&C Securities**") or, in the case of Warrants, an interest rate ("**Interest Rate Linked Warrants**") or a combination of any of the foregoing specified in the applicable Final Terms.

In the case of Exempt W&C Securities, the W&C Securities may be Index Linked W&C Securities, Currency Linked W&C Securities, Fund Linked W&C Securities, Commodity Linked W&C Securities, Equity Linked W&C Securities, Interest Rate Linked Warrants or a combination of any of the foregoing or any other kind of W&C Security specified in the applicable Pricing Supplement.

A W&C Security may be a Cash Settled W&C Security or a Physical Delivery W&C Security (as defined below).

In these Terms and Conditions, any item noted above by reference to which the W&C Security is linked shall be referred to as a **“Reference Item”**.

**1.02** The applicable Issue Terms will indicate whether settlement will be by way of cash payment (**“Cash Settled W&C Securities”**) or physical delivery (**“Physical Delivery W&C Securities”**) and whether averaging (**“Averaging”**) will apply to the W&C Securities. Finnish W&C Securities shall always be Cash Settled W&C Securities.

If Averaging is specified as applying in the applicable Issue Terms, the applicable Issue Terms will state the relevant Averaging Dates and, in respect of Index Linked W&C Securities, Equity Linked W&C Securities and Fund Linked W&C Securities, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled W&C Securities which are Exempt W&C Securities shall be deemed to include references to Physical Delivery W&C Securities, which include an option (as set out in the applicable Pricing Supplement) at the Issuer’s election to request cash settlement of such W&C Security and where settlement is to be by way of cash payment, and references in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery W&C Securities which are Exempt W&C Securities shall be deemed to include references to Cash Settled W&C Securities which include an option (as set out in the applicable Pricing Terms) at the Issuer’s election to request physical delivery of the relevant underlying asset in settlement of such W&C Security and where settlement is to be by way of physical delivery.

W&C Securities may, if so specified and provided for in the applicable Issue Terms, allow Holders to elect for settlement by way of cash payment or by way of physical delivery. Those W&C Securities where the Holder has elected for cash payment will be Cash Settled W&C Securities and those W&C Securities where the Holder has elected for physical delivery will be Physical Delivery W&C Securities. The rights of a Holder as described in this paragraph may be subject to the Issuer’s right to vary settlement if so indicated in the applicable Issue Terms.

### ***Form of W&C Securities***

**1.03** The Issue Terms shall specify whether either U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act 2010) (the **“TEFRA D Rules”**) or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act 2010) (the **“TEFRA C Rules”**) will apply or whether the TEFRA rules are not applicable. Each Tranche of W&C Securities with an original maturity of more than one year is represented upon issue by a temporary global W&C Security (a **“Temporary Global W&C Security”**), unless the Issue Terms specify otherwise, in particular, when the TEFRA C Rules apply.

Where the applicable Issue Terms so specify or where a Tranche of W&C Securities has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Issue Terms) represented upon issue by a permanent global W&C Security (a **“Permanent Global W&C Security”**) and, together with the Temporary Global W&C Security, the **“Global W&C Securities”** and each a **“Global W&C Security”**).

Subject to any applicable laws, definitive W&C Securities will not be issued. In the event that any W&C Securities in definitive form are required by applicable laws to be issued in exchange for interests in the Global W&C Security, the Issuer shall then determine their form as well as any necessary technical changes required to these Terms and Conditions in consultation with the Issuing and Paying Agent.

On or after the Exchange Date (as specified in the Issue Terms), interests in such Temporary Global W&C Security will be exchangeable for a Permanent Global W&C Security, only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such W&C Security are not United States persons or persons who have purchased for resale to any United States person, as required by U.S. Treasury Regulations, has been received by the relevant Clearing Systems and the relevant Clearing Systems have given a like certification (based on the certification received) to the Issuing and Paying Agent.

The Holder of a Temporary Global W&C Security shall not (unless, upon due presentation of such Temporary Global W&C Security for exchange (in whole but not in part only) for a Permanent Global W&C Security, such exchange is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) to be entitled to any payment in respect of the W&C Securities represented by each Temporary Global W&C Security which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

Unless the Issue Terms specify that TEFRA C Rules are applicable to the W&C Securities and subject to the preceding paragraph, if any date on which a payment of Additional Amounts is due on the W&C Securities of a Tranche occurs while any W&C Securities of that Tranche are represented by a Temporary Global W&C Security, the related Additional Amount payable will be made on the Temporary Global W&C Security only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury Regulations (in the form to be provided), had been received by the relevant Clearing Systems and the relevant Clearing Systems have given a like certification (based on the certification received) to the Issuing and Paying Agent.

**1.04** Swiss W&C Securities will be issued in the form of a Permanent Global W&C Security and will be transformed into intermediated securities (the “**Intermediated Securities**”) in accordance with article 6 of the Swiss Federal Intermediated Securities Act (the “**FISA**”).

The Intermediated Securities will be created (i) by the deposit of the Permanent Global W&C Security with SIX SIS or any other intermediary in Switzerland recognised for such purposes by the SIX Swiss Exchange (SIX SIS or such other intermediary, the “**relevant Swiss clearing system**”), acting as custodian as defined in article 4 FISA (the “**Custodian**”) and (ii) by the relevant Swiss clearing system, acting as Custodian, crediting the respective rights to securities accounts of the relevant participants with the relevant Swiss clearing system in accordance with articles 4 and 6 FISA. In respect of Swiss W&C Securities, subject to any applicable laws, neither the Issuer nor the Holders of such Permanent Global W&C Security shall at any time have the right to effect or demand the conversion of the Permanent Global W&C Security into, or the delivery of, uncertificated W&C securities or definitive W&C Securities.

**1.04a** Finnish W&C Securities will be issued in uncertificated and dematerialised book-entry form in accordance with the Finnish Act on the Book-Entry System and Clearing Operations and the Finnish Act on Book Entry Accounts. No global or definitive W&C Securities will be issued and these Conditions shall be construed accordingly. The Finnish W&C Securities will be transferable only in accordance with the provisions of the Finnish Act on the Book-Entry

System and Clearing Operations and the Finnish Act on Book Entry Accounts, other applicable Finnish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Finland Ltd ("**Euroclear Finland**").

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

### ***Title to W&C Securities***

**1.05** Each person who is for the time being shown in the records of the Clearing System as the holder of a particular number of W&C Securities (in which regard any certificate or other document issued by the Clearing Systems as to the number of W&C Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent and any Paying Agent as the holder of such number of W&C Securities for all purposes, and the expression "**Holder**" and related expressions shall be construed accordingly, except that (i) Euroclear shall not be treated as the Holder of any W&C Securities held in an account with Clearstream, Luxembourg on behalf of Euroclear's accountholders and (ii) Clearstream, Luxembourg shall not be treated as the Holder of any W&C Security held in an account with Euroclear on behalf of Clearstream, Luxembourg's accountholders.

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

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

**1.07** The person appearing in the book-entry register maintained by Euroclear Finland on behalf of the Issuer (the "**Finnish Securities Register**") will be treated as the holder of the relevant Finnish W&C Securities and references to the "Holders" of Finnish W&C Securities are to the persons in whose names such Finnish W&C Securities are registered in the Finnish Securities Register, including nominee account holders (Fin: *hallintarekisteröinnin hoitaja*) as the case may be. The Holder of any Finnish W&C Security will for all purposes of the Finnish Issuing and Paying Agent Agreement (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof and no person shall be liable for so treating such Holder.

Payments in respect of Finnish W&C Securities will be made on the due date for payments to the persons registered as Holders in the Finnish Securities Register on the fifth (5) Business Day (or in accordance with the rules and procedures applied by Euroclear Finland from time to time), prior to the due date for such payment.

## **Transfers**

**1.08** All transactions (including permitted transfers of W&C Securities) in the open market or otherwise must be effected through an account at a Clearing System, subject to and only in accordance with the then current rules and procedures of such Clearing System, as the case may be. Title (other than in the case of Intermediated Securities) will pass upon registration of the transfer in the books of each Clearing System. Title to Intermediated Securities will pass in accordance with the Rules.

The number of W&C Securities which may be transferred by a Holder must be equal to the Minimum Trading Size and any integral multiple thereof or of such other number, each as specified in the applicable Issue Terms.

## **2. Status of the W&C Securities**

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

## **3. Definitions**

**3.01** For the purposes of these Terms and Conditions, the following general definitions will apply:

**“Actual Exercise Date”** means, in respect of Exercisable Certificates and Warrants, the Exercise Date (in the case of European Style W&C Securities), or, subject to Condition 22.09 (B), the date during the Exercise Period on which the Exercisable Certificate or Warrant is actually or is deemed exercised (in the case of American Style W&C Securities) (as more fully set out in Condition 21.01) or the date on which the Exercisable Certificate or Warrant is actually or is deemed exercised (in the case of Open-Ended W&C Securities).

**“Affiliate”** means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer or any entity under common control with the Issuer. As used herein, **“control”** means ownership of a majority of the voting power (or, in the case of Condition 33, shares, units or interests) of an entity and **“controlled by”** and **“controls”** shall be construed accordingly.

**“Business Day”** means (a) a day (other than a Saturday or Sunday) (i) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and the relevant Business Day Centre(s) specified in the applicable Issue Terms (if any) and (ii) on which each Clearing System is open for business; (b) for the purposes of making payments in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open; (c) for the purposes of making payments in Renminbi, a day on which commercial banks and foreign exchange markets settle payment in Renminbi in each Relevant Renminbi Settlement Centre (as defined in Condition 8.02 below) and in the relevant Business Day Centre(s) specified in the applicable Issue Terms (if any); and (d) if TARGET is specified in the applicable Issue Terms as a relevant Business Day Centre, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open.

**“Cash Settlement Amount”** means, in relation to a Cash Settled W&C Security, the amount (which may never be less than zero) which the Holder is entitled to receive on the Settlement Date or Redemption Date, as applicable, in the Settlement Currency in relation to each such W&C Security, or, in the case of Exercisable Certificates or Warrants, if Units are specified in the applicable Issue Terms, each Unit, as the case may be, as determined by the Calculation Agent:

- (a) in the case of a Non-Exempt W&C Security, in accordance with Condition 36;
- (b) in the case of an Exempt W&C Security:
  - (i) if such W&C Security is an Interest Rate Linked Warrant:  
 $(\text{Settlement Price less Exercise Price}) \times \text{Notional Amount per Warrant} \times \text{Interest Rate Day Count Fraction}$ ; or
  - (ii) otherwise, the amount specified in, or determined pursuant to, the applicable Pricing Supplement.

The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with W&C Securities exercised or redeemed at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such W&C Securities.

If a Protection Amount is specified in the applicable Issue Terms, the Cash Settlement Amount will, subject to the applicable Issue Terms, at the stated Redemption Date or Settlement Date, as the case may be, be no less than the amount specified as such in the applicable Issue Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that W&C Securities are redeemed or cancelled prior to their stated Redemption Date or Settlement Date, as the case may be.

**“Cash Settlement Period”** means the period commencing on (and including) the Exercise Date to (but excluding) the Settlement Date.

**“Clearing System”** means Euroclear and/or Clearstream, Luxembourg, Euroclear Finland or SIS SIX, Monte Titoli S.p.A. or such further or alternative clearing system approved by the Issuer and the Issuing and Paying Agent as specified in the applicable Issue Terms.

**“Clearstream, Luxembourg”** means Clearstream Banking, *société anonyme*.

**“Entitlement”** means, in relation to a Physical Delivery W&C Security, or, in the case of an Exercisable Certificate or Warrant, if Units are specified in the applicable Issue Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date or Redemption Date, as applicable, in respect of each such W&C Security or Unit, as the case may be, following payment of the Expenses and (in the case of Warrants) the Exercise Price, rounded down as provided in Condition 21.05 or 25.01, as determined by the Calculation Agent as set out in Condition 36, in the case of a Non-Exempt W&C Security, or the applicable Pricing Supplement, in the case of an Exempt W&C Security, in each case including any documents evidencing such Entitlement.

**“Euroclear”** means Euroclear Bank SA/NV.

**“Euroclear Finland”** means Euroclear Finland Ltd.



**“Hedging Entity”** means (a) the Issuer or (b) any Affiliate or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Issue Terms that is engaged in any underlying or hedging transactions related to the Index, Equity, Fund Interest, Fund Share or interest rate to which the W&C Security is linked, as the case may be, in respect of the Issuer’s obligations under the W&C Securities.

**“Interest Rate Day Count Fraction”** means, in respect of the calculation of a Cash Settlement Amount:

- (a) if **30/360 (Floating)** or **“360/360”** or **“Bond Basis”** is specified in the applicable Issue Terms, the number of days in the Cash Settlement Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Cash Settlement Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Cash Settlement Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Cash Settlement Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Cash Settlement Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Cash Settlement Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Cash Settlement Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (b) if **“30E/360”** or **“Eurobond Basis”** is specified in the applicable Issue Terms, the number of days in the Cash Settlement Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Cash Settlement Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Cash Settlement Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Cash Settlement Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Cash Settlement Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Cash Settlement Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Cash Settlement Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (c) if "**30E/360 (ISDA)**" is specified in the applicable Issue Terms, the number of days in the Cash Settlement Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Cash Settlement Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Cash Settlement Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Cash Settlement Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Cash Settlement Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Cash Settlement Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Cash Settlement Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D<sub>2</sub> will be 30;

- (d) if "**Actual/360**" is specified in the applicable Issue Terms, the actual number of days in the Cash Settlement Period divided by 360.
- (e) if "**Actual/Actual (ISDA)**" is specified in the applicable Issue Terms, the actual number of days in the Cash Settlement Period divided by 365 (or, if any portion of that Cash Settlement Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Cash Settlement Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Cash Settlement Period falling in a non-leap year divided by 365); and
- (f) if "**Actual/365 (Fixed)**" is specified in the applicable Issue Terms, the actual number of days in the Cash Settlement Period divided by 365.

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the W&C Securities of the relevant Series (as specified in the Issue Terms) as published by the International Swaps and Derivatives Association, Inc.).

"**ISDA Rate**" means, in respect of an Exercise Date, a rate equal to the Floating Rate that would be calculated by the Issuing and Paying Agent under an interest rate swap transaction if the Issuing and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement to which the ISDA Definitions applied and under which:

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

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

For the purposes of this definition “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

**"Italian Listed Certificates"** means Italian Listed Exercisable Certificates or Italian Listed Redeemable Certificates.

**"Italian Listed Exercisable Certificates"** means any Exercisable Certificates which are Cash Settled W&C Securities and which are specified as such in the applicable Issue Terms and for which it is intended to seek listing and admission to trading on the "electronic securitised derivatives market" ("**SeDex**") organised and managed by Borsa Italiana S.p.A. or any Italian multilateral trading facility, as the case may be.

**"Italian Listed Redeemable Certificates"** means any Redeemable Certificates which are Cash Settled W&C Securities and which are specified as such in the applicable Issue Terms and for which it is intended to seek listing and admission to trading on SeDex or any Italian multilateral trading facility, as the case may be.

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

**"Multiplier"** has the meaning ascribed to it in the applicable Issue Terms.

**"Redemption Date"** has the meaning ascribed to it in the applicable Issue Terms.

**"Renouncement Notice"** has the meaning given in Condition 21.08 (Exercise Rights in respect of Italian Listed Exercisable Certificates).

**"Settlement Date"** has the meaning ascribed to it in the applicable Issue Terms.

**"Settlement Price"** means:

- (a) where the Reference Item is an Index, the Reference Level;
- (b) where the Reference Item is an Equity or an ETF Fund Share, the Reference Price;
- (c) where the Reference Item is a Commodity, the Relevant Price;
- (d) where the Reference Item is a Currency, the Currency Price; and
- (e) in respect of Interest Rate Linked Warrants, the ISDA Rate,

in each case in respect of the relevant Averaging Date, Observation Date, Pricing Date, Valuation Date or Exercise Date, as applicable.

**"SIX SIS"** means SIX SIS AG.

#### **4. General Provisions relating to Physical Settlement**

**4.01** The provisions of Conditions 4.01, 4.02 and 4.03 apply to all W&C Securities.

##### ***Settlement Disruption***

**4.02** If, prior to the delivery of the Entitlement in accordance with the Conditions, a Settlement Disruption Event is subsisting, then the Settlement Date or Redemption Date, as the case may be, for the relevant W&C Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event.

For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date or Redemption Date, as the case may be, for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date or Redemption Date, as the case may be. In the case of Warrants, in the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant W&C Securities or Units, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Holder shall be entitled to any payment in respect of the relevant W&C Security or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

**“Disruption Cash Settlement Price”** in respect of any relevant W&C Securities or Unit, as the case may be, shall be the fair market value of such W&C Securities or Unit, as the case may be, (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Issuer in its sole and absolute discretion plus (in the case of Warrants), if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

**“Settlement Business Day”** has the meaning ascribed to it in (a) in the case of a Non-Exempt W&C Security, Condition 36 or (b) in the case of an Exempt W&C Security, the applicable Pricing Supplement.

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

#### ***Failure to Deliver due to Illiquidity***

**4.03** If **“Failure to Deliver due to Illiquidity”** is specified as applicable in the applicable Issue Terms and, following exercise or upon redemption of Physical Delivery W&C Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **“Affected Relevant Assets”**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **“Failure to Deliver due to Illiquidity”**), then:

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date or Redemption Date, as the case may be and (in the case of Warrants) the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant W&C Securities or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that the provisions of this Condition 4.03 apply.

For the purposes hereof:

**“Failure to Deliver Settlement Price”** means, in respect of any relevant W&C Security or Unit, as the case may be, the fair market value of such W&C Security or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion plus (in the case of Warrants), if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

#### ***Issuer’s Option to Vary Settlement***

**4.04** In the applicable Pricing Supplement indicates that the Issuer has an option to vary settlement in respect of the W&C Securities, upon a valid exercise or a redemption of W&C Securities in accordance with these Terms and Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such W&C Security or Unit, as the case may be, elect not to pay the relevant Holders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date or Redemption Date, as the case may be, to the relevant Holders, as the case may be. Notification of such election will be given to Holders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date (in the case of Exercisable Certificates or Warrants) or the second Business Day immediately preceding the Redemption Date (in the case of Redeemable Certificates).

#### ***General provisions relating to Settlement***

**4.05** None of the Issuer, the Calculation Agent or the Issuing and Paying Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

Exercise or redemption of the W&C Securities, as applicable, is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date or Redemption Date, as the case may be, and none of the Issuer or any of its Affiliates or the Issuing and Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or any of its Affiliates or the Issuing and Paying Agent shall under any

circumstances be liable for any acts or defaults of any Clearing System in relation to the performance of their duties in relation to the W&C Securities.

The purchase of W&C Securities does not confer on any holder of such W&C Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

## **5. Illegality and Early Cancellation for Tax Reasons**

### ***Illegality***

*This Condition 5.01 applies to W&C Securities which are subject to cancellation prior to the Settlement Date or Redemption Date, as the case may be, at the option of the Issuer upon an illegality as described below. The applicable Issue Terms contain provisions applicable to such event and must be read in conjunction with this Condition 5.01 for full information. In particular, the applicable Issue Terms will identify the applicable notice periods.*

**5.01** If the Issuer determines in good faith that the performance of its obligations under the W&C Securities or that any arrangements made to hedge the Issuer's obligations under the W&C Securities have become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to Holders in accordance with Condition 10 (which notice shall be irrevocable) may, on expiry of such notice, cancel (in the case of Exercisable Certificates or Warrants) or redeem (in the case of Redeemable Certificates) the W&C Securities.

Should any one or more of the provisions contained in these Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer cancels (in the case of Exercisable Certificates or Warrants) or redeems (in the case of Redeemable Certificates) the W&C Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each W&C Security or each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, notwithstanding such illegality, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

### ***Early Cancellation for Taxation Reasons***

*This Condition 5.02 applies to W&C Securities which are subject to cancellation prior to the Settlement Date or Redemption Date, as the case may be, at the option of the Issuer for taxation reasons as described below. The applicable Issue Terms contain provisions applicable to any such event and must be read in conjunction with this Condition 5.02 for full information. In particular, the applicable Issue Terms will identify the applicable notice periods.*

**5.02** If, (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of W&C Securities issued by a Branch of Account (as defined in Condition 14.01) of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or

after the Issue Date of such W&C Securities or any other date specified in the applicable Issue Terms, the Issuer would be required to pay extra amounts as provided in Condition 11.03, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than the minimum period and no more than the maximum period of notice specified in the applicable Issue Terms (ending, in the case of W&C Securities paying Additional Amounts at a floating rate, on an Additional Amount Payment Date) to the Holders of the W&C Securities in accordance with Condition 10 (which notice shall be irrevocable), cancel (in the case of Exercisable Certificates or Warrants) or redeem (in the case of Redeemable Certificates) all (but not some only) of the outstanding W&C Securities, provided, however, that no such notice of cancellation or redemption may be given earlier than 90 days (or, in the case of W&C Securities paying Additional Amounts at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current Additional Amount Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the W&C Securities then due.

The Issuer may not exercise such option in respect of any W&C Security which is the subject of either a prior exercise by the Holder thereof or an automatic exercise (in the case of Exercisable Certificates and Warrants) or the prior exercise by the Holder of its option to require the redemption of such Certificate under Condition 25.04 (in the case of Redeemable Certificates).

If the Issuer cancels (in the case of Exercisable Certificates or Warrants) or redeems (in the case of Redeemable Certificates) the W&C Securities then the Issuer will pay an amount to each Holder in respect of each W&C Security or each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, notwithstanding such cancellation (in the case of Exercisable Certificates or Warrants) or redemption (in the case of Redeemable Certificates), together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

## **6. Events of Default**

**6.01** The following events or circumstances (each, and “**Event of Default**”) shall be acceleration events in relation to the W&C Securities of any Series, namely:

- (i) the Issuer fails to pay any Cash Settlement Amount or deliver any Entitlement in respect of the W&C Securities of the relevant Series or any of them on the settlement date or due date for payment thereof or fails to pay any Additional Amount in respect of the W&C Security of the relevant Series or any of them within 30 days of the due date for payment thereof; or
- (ii) if the Issuer shall have come insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed, or if the Superintendent of Financial Institutions

(Canada) shall have taken control of the assets of the Issuer or of the Issuer itself.

**6.02** If any Event of Default shall occur, any Holder may, by notice given to the Issuing and Paying Agent through the relevant Clearing Systems in such manner as the Issuing and Paying Agent and the relevant Clearing Systems may approve for this purpose, declare such W&C Security to be immediately cancelled (in the case of Exercisable Certificates and Warrants) or repayable (in the case of Redeemable Certificates) whereupon an amount equal to the fair market value of such W&C Security or Unit, as the case may be, shall become immediately due and repayable notwithstanding the Event of Default, together with accrued Additional Amounts (if applicable), less the cost to the Issuer and/or the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, by or on behalf of the Holder, the Exercise Price all as determined by the Calculation Agent in its sole and absolute discretion, unless, prior thereto, all Events of Default in respect of such W&C Security shall have been cured.

## **7. Purchases**

The Issuer or any of its Affiliates may, but is not obliged to, at any time purchase W&C Securities at any price in the open market or by tender or private treaty. Any W&C Securities so purchased may be held or resold or surrendered for cancellation.

## **8. Payments – Unavailability of Settlement Currency**

**8.01** If the Settlement Currency is a currency other than euro or Renminbi and on or around a due date for payment under the W&C Securities, the Calculation Agent determines that the Settlement Currency is not available on the foreign exchange markets due to the imposition of exchange controls, the Settlement Currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the "**Euro FX Rate**") at which the Settlement Currency is offered in exchange for euro in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the Settlement Currency will be payable.

**8.02** Notwithstanding any other provision in these Conditions, if the Settlement Currency is Renminbi and (a) if an Inconvertibility, Non-Transferability or Illiquidity occurs or (b) if Renminbi is otherwise not available to the Issuer as a result of circumstances beyond its control and such unavailability has been confirmed by a Renminbi Dealer, acting in good faith and in a commercially reasonable manner, following which the Issuer is unable to satisfy any payments (in whole or in part) in respect of the RMB W&C Securities, the Issuer on giving not less than five nor more than 30 days' irrevocable notice to the Holders prior to the due date for payment, may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. dollars Equivalent of any such Renminbi denominated amount.

In such event, payments of the U.S. dollars Equivalent or the relevant amount in respect of the W&C Securities shall be made by transfer to the U.S. dollars account of the relevant Account Holders for the benefit of the Holders. For the avoidance of doubt, no such payment



of the U.S. dollars Equivalent shall by itself constitute a default in payment within the meaning of Condition 6.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8.02 by the RMB Rate Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agent and all Holders and (in the absence of manifest error) no liability to the Issuer, the Paying Agent and all Holders shall attach to the RMB Rate Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

For the purposes of these Conditions:

**“Government Authority”** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of each Relevant Renminbi Settlement Centre.

**“Hong Kong”** means the Hong Kong Special Administrative Region of the People’s Republic of China.

**“Illiquidity”** means that the general Renminbi exchange market in each Relevant Renminbi Settlement Centre becomes illiquid, other than as a result of an event of Inconvertibility or Non-Transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

**“Inconvertibility”** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of RMB W&C Securities in the general Renminbi exchange market in each Relevant Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**“Relevant Renminbi Settlement Centre”** means each of the jurisdiction(s) specified as such in the applicable Issue Terms or if no Relevant Renminbi Settlement Centre is specified in the relevant Issue Terms, the Relevant Renminbi Settlement Centre shall mean Hong Kong only.

**“Renminbi Dealer”** means an independent foreign exchange dealer or international reputé active in the Renminbi exchange market in any Relevant Renminbi Settlement Centre reasonably selected by the Issuer.

**“RMB “W&C Securities”** means a W&C Securities denominated in Renminbi.

**“RMB Rate Calculation Agent”** means the agent appointed from time to time by the Issuer for the determination of the RMB Spot Rate or identified as such in the relevant Issue Terms.

**“RMB Rate Calculation Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in each Relevant Renminbi Settlement Centre and in New York City.

**“RMB Rate Calculation Date”** means the day which is two RMB Rate Calculation Business Days before the due date for payment of the relevant Renminbi amount under the Conditions.

**“RMB Spot Rate”** for a RMB Rate Calculation Date means the spot CNY/U.S. dollars exchange rate for the purchase of U.S. dollars with RMB in the over-the-counter RMB exchange market in the Relevant Renminbi Settlement Centre in which the RMB Rate Calculation Agent is located for settlement on the relevant due date for payment, as determined by the RMB Rate Calculation Agent at or around 11 a.m. (local time of the Relevant Renminbi Settlement Centre) on such RMB Rate Calculation Date, on a deliverable basis by reference to Reuters Screen page TRADCNY3 or if no such rate is available on a non deliverable basis by reference to Reuters Screen Rate TRADNDF. If neither rate is available, the RMB Rate Calculation Agent will determine the RMB Spot Rate at or around 11 a.m. (local time of the Relevant Renminbi Settlement Centre) on the RMB Rate Calculation Date as the most recently available CNY/U.S. dollar official fixing rate for settlement on the relevant due date for payment reported by The State Administration of Foreign Exchange of the People’s Republic of China (excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan) (the **“PRC”**), which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

**“U.S. dollars Equivalent”** means the Relevant Renminbi amount converted into U.S. dollars using the RMB Spot Rate for the relevant RMB Rate Calculation Date, as calculated by the RMB Rate Calculation Agent.

## **9. The Issuing and Paying Agent, Calculation Agent, Paying Agents, Determinations, Modifications and Meeting Provisions**

**9.01** The initial Issuing and Paying Agent and its initial specified office is specified at the end of these Conditions. The Calculation Agent in respect of any W&C Securities and any additional or other Paying Agents shall be specified in Part A or Part B of the applicable Issue Terms, respectively. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent or the Calculation Agent and to appoint additional Paying Agents or another Calculation Agent provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, and (iii) so long as the W&C Securities are admitted to trading and/or listed on any stock exchange or admitted to trading or listing by another relevant authority, a Paying Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority. The Paying Agents and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Paying Agent and Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 10.

**9.01a** The Swiss Programme and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swiss Programme and Paying Agent provided that the Issuer shall at all times maintain a Swiss Programme and Paying Agent authorised to act in such capacity. Notice of all changes in the identity or specified offices of the Swiss Programme and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 10.

**9.01b** The Finnish Issuing and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Finnish Issuing and Paying Agent provided that the Issuer shall at all times maintain a Finnish Issuing and Paying Agent authorised to act both as an account operator and issuer agent with

Euroclear Finland. Notice of all changes in the identity or specified offices of the Finnish Issuing and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 10.

**9.02** The Paying Agents act solely as agent of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to its appointment, does not assume any obligations towards or relationship of agency or trust for any Holder of any W&C Security and shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

**9.03** In relation to each issue of W&C Securities, the Calculation Agent (whether it be the Royal Bank of Canada, London branch or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the W&C Securities by the Calculation Agent shall (save in the case of manifest or proven error) be final, conclusive and binding on the Issuer, the Issuing and Paying Agent and the Holders. The Calculation Agent shall promptly notify the Issuer and the Issuing and Paying Agent upon any such calculations and determinations, and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Issuing and Paying Agent or the Holders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a suitably competent third party of good standing as it deems appropriate.

#### ***Determinations***

**9.04** Any determination made by the Calculation Agent pursuant to these Terms and Conditions shall (save in the case of proven or manifest error) be final, conclusive and binding on the Issuer and the Paying Agents and the Holders.

#### ***Modifications and Meetings Provisions***

**9.05** The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of the W&C Securities (other than Finnish W&C Securities) to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed by the Holders of the W&C Securities will be binding on all Holders of the W&C Securities, whether or not they are present at any meeting and whether or not they voted on the resolution, except that without the consent and affirmative vote of each Holder of the W&C Securities, no Extraordinary Resolution may: (i) amend the Redemption Date, Settlement Date, Exercise Date or Exercise Period or any Additional Amount Payment Date (as applicable) in respect of the W&C Securities (ii) reduce or cancel the Cash Settlement Amount or the Entitlement (as applicable), (iii) reduce any Additional Amount payable, (iv) in the case of Exempt W&C Securities subject to any applicable redenomination provisions specified in the Pricing Supplement, change the Settlement Currency, (v) modify the provisions concerning the quorum required at any meeting of Holders of the W&C Securities or the majority required to pass an Extraordinary Resolution or (vi) modify or eliminate any of items (i) through (v), inclusive above unless passed at a meeting of the Holders of the W&C Securities (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

In addition to Extraordinary Resolutions passed at meetings of the Holders of W&C Securities, the Issue and Paying Agency Agreement provides that either (i) a resolution in writing signed on behalf of the Holders of W&C Securities of not less than three-fourths in number of the W&C Securities for the time being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed on behalf of one or more Holders of W&C Securities) or (ii) consents given by way of electronic consents through the relevant clearing system(s) by or on behalf of a Holder of W&C Securities of not less than three-fourths of the W&C Securities for the time being outstanding will take effect as an Extraordinary Resolution.

The Issuer may without the consent of the Issuing and Paying Agent or the Holders of the W&C Securities, make any modification to these Terms and Conditions (i) which is not materially prejudicial to the interests of the Holders of W&C Securities, or (ii) to correct a manifest or proven error or an error that is of a formal, minor or technical nature, or to correct, cure or supplement any defective provision contained herein. Subject as aforesaid, no other modification may be made to these Terms and Conditions except with the sanction of an Extraordinary Resolution adopted by the Holders.

Save as provided therein, the Issue and Paying Agency Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the W&C Securities.

#### ***Meetings of Holders of Finnish W&C Securities and Modification***

**9.06** The Issuer may, and upon a request in writing by Holders of Finnish W&C Securities holding not less than one-tenth by number of the Finnish W&C Securities for the time being outstanding of any Series, convene meetings of the Holders of Finnish W&C Securities to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution of these Conditions. At least twenty-one but no more than sixty days notice, specifying the day, time and place of the meeting shall be given to the Holders of Finnish W&C Securities. The notice shall be delivered to the Holders of the Finnish W&C Securities in accordance with Condition 10 below and a copy of the notice shall be given to the Finnish Issuing and Paying Agent and Euroclear Finland. The notice shall specify the terms of the resolutions to be proposed.

Only persons being Holders of Finnish W&C Securities of the relevant Series on the fifth Business Day prior to the meeting according to the Finnish Securities Register shall be entitled to attend and vote at the meeting. A Holder of Finnish W&C Securities may by an instrument in writing in the English language signed by the Holder and delivered to the Issuer not later than 48 hours prior to the time for which such meeting or adjourned meeting is convened, appoint any person (a "**proxy**") to attend and act on it or its behalf in connection with any meeting or proposed meeting of the Holders of Finnish W&C Securities. The Finnish Issuing and Paying Agent, the Issuer, Euroclear Finland and their respective financial and legal advisers shall be entitled to attend and speak at any meeting of the Holders of Finnish W&C Securities.

A person nominated in writing by the Issuer shall be entitled to take the chair at every meeting, but if no such nomination is made or if at any meeting the person nominated shall not be present within thirty minutes after the time appointed for the holding of such meeting, the Holders of Finnish W&C Securities present may appoint another such person to be chairman.

At any such meeting any two or more Holders of Finnish W&C Securities (or their proxies) present in person holding in the aggregate a clear majority in number of the Finnish W&C

Securities of the relevant Series for the time being outstanding shall form a quorum for the transaction of business, provided that at any meeting at which an Extraordinary Resolution is to be proposed the quorum for such meeting shall be any two or more Holders of the relevant Finnish W&C Securities or their proxies, holding in the aggregate at least 75 per cent. in number of the relevant Finnish W&C Securities for the time being outstanding (a "**special quorum**") and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The expression "**Extraordinary Resolution**" in this Condition 9.06 means a resolution passed at a meeting of the Holders of Finnish W&C Securities duly convened and held in accordance with the provisions contained herein by a majority consisting of not less than threefourths of the votes cast thereon. In addition, either (i) a resolution in writing signed on behalf of the Holders of Finnish W&C Securities of not less than 75 per cent. in number of the Finnish W&C Securities for the time being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed on behalf of one or more Holders of Finnish W&C Securities) or (ii) consents given by way of electronic consents through the relevant clearing systems by or on behalf of Holders of W&C Securities of not less than 75 per cent. in number of the Finnish W&C Securities for the time being outstanding will take effect as if it were an Extraordinary Resolution.

If within half an hour from the time appointed for any such meeting a quorum is not present the meeting shall, if convened upon the requisition of Holders of Finnish W&C Securities, be dissolved. In any other case it shall stand adjourned for such period, not being less than fourteen days nor more than forty-two days, as may be decided by the chairman. At such adjourned meeting two or more Holders of Finnish W&C Securities (or their proxies), irrespective of the number of Finnish W&C Securities so held or represented by them, shall form a quorum and shall have the power to pass any resolution and to decide upon all matters which could properly have been dealt with at the original meeting had a quorum been present at such meeting, provided that at any adjourned meeting at which an Extraordinary Resolution is to be proposed the quorum for such meeting shall be two or more Holders of Finnish W&C Securities of the relevant Series (or their proxies) holding the aggregate at least 25 per cent. in number of the Finnish W&C Securities for the time being outstanding. At least ten days' notice of any meeting adjourned through want of a quorum shall be given in the same manner as of an original meeting and such notice shall state the quorum required at such adjourned meeting.

Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to the vote or votes to which he may be entitled as a Holder of Finnish W&C Securities or as a proxy.

At any meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or the Issuer or by any Holder(s) of Finnish W&C Securities of the relevant Series (or their proxies) representing in the aggregate at least 2 per cent. in number of the Finnish W&C Securities for the time being outstanding, a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. If at any meeting a poll is demanded, it shall be taken in such manner and (subject as hereinafter provided) either at once or after such an adjournment as the chairman directs and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. Any poll demanded at any meeting on the election of a

chairman or on any question of adjournment shall be taken at the meeting without adjournment.

At any such meeting (a) on a show of hands every person who is present in person and who is a Holder of Finnish W&C Securities of the relevant Series or a proxy shall have one vote and (b) on a poll every person who is so present shall have one vote in respect of each outstanding Finnish W&C Security of such Series of Finnish W&C Securities so produced or represented or in respect of which he is a proxy. Without prejudice to the obligations of the proxies named in any form of proxy, any person entitled to more than one vote need not use all its votes or cast all the votes to which he is entitled in the same way.

A meeting of the Holders of Finnish W&C Securities shall, in respect of the Finnish W&C Securities of the relevant Series only and insofar only as it affects the Finnish W&C Securities of the relevant Series and subject to the provisions contained in these Terms and Conditions have the following powers exercisable by Extraordinary Resolution namely:

- (a) power to sanction any modification, abrogation, variation or compromise of, an arrangement in respect of, the rights of the Holders of Finnish W&C Securities of the relevant Series against the Issuer whether such rights shall arise under the Finnish W&C Securities or otherwise;
- (b) power to sanction the exchange or substitution for the Finnish W&C Securities of or the conversion of those Finnish W&C Securities into other obligations or securities of the Issuer or any other body corporate formed or to be formed;
- (c) power to assent to any modification of the provisions contained in the Finnish W&C Securities and these Terms and Conditions thereof;
- (d) power to waive or authorise any breach or proposed breach by the Issuer of its obligations under these Terms and Conditions or any act or omission which might otherwise constitute an event of default under these Terms and Conditions;
- (e) power to authorise Euroclear Finland or any other person to concur in and execute and do all such deeds, documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (f) power to give any authority, direction or sanction which under these Terms and Conditions is required to be given by Extraordinary Resolution; and
- (g) power to appoint any persons (whether Holders of Finnish W&C Securities or not) as a committee or committees to represent the interests of the Holders of Finnish W&C Securities and to confer upon such committee or committees any powers or discretions which such Holders of Finnish W&C Securities could themselves exercise by Extraordinary Resolution;

provided, however, that no Extraordinary Resolution may without the consent of the Holder of each such Finnish W&C Security affected thereby: (i) amend the Redemption Date, Settlement Date, Exercise Date or Exercise Period or any Additional Amount Payment Date (as applicable) in respect of the Finnish W&C Securities (ii) reduce or cancel the Cash Settlement Amount, (iii) reduce any Additional Amount payable, (iv) modify the provisions

concerning the quorum required at any meeting of Holders of the Finnish W&C Securities or the majority required to pass an Extraordinary Resolution or (v) modify or eliminate any of items (i) through (iv), inclusive above unless passed at a meeting of the Holders of the Finnish W&C Securities (or at any adjournment thereof) at which a special quorum is present. An Extraordinary Resolution passed at any meeting of the Holders of Finnish W&C Securities of any Series will be binding on all Holders of the Finnish W&C Securities of such Series, whether or not they are present at the meeting.

In addition to Extraordinary Resolutions passed at meetings of the Holders of Finnish W&C Securities either (i) a resolution in writing signed on behalf of the Holders of Finnish W&C Securities of not less than three-fourths in number of the Finnish W&C Securities for the timing being outstanding (whether such resolution in writing is contained in one document or several documents in the same form, each signed on behalf of one or more Holders of Finnish W&C Securities) or (ii) consents given by way of electronic consents through the relevant clearing systems by or on behalf of a Holder of Finnish W&C Securities, of not less than three-fourths in number of the Finnish W&C Securities for the time being outstanding will take effect as an Extraordinary Resolution.

Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed or proceedings transacted or by the chairman of the next succeeding meeting of the Holders of Finnish W&C Securities, shall be conclusive evidence of the matters therein contained and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made and signed as aforesaid shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted thereat to have been duly passed and transacted.

Any Finnish W&C Securities which have been purchased or are held by (or on behalf of) the Issuer or any subsidiary of the Issuer but which have not been cancelled shall, unless and until resold, be deemed not to be outstanding for the purposes of this Condition 9.06.

The Issuer may, with the consent of the Finnish Issuing and Paying Agent, but without the consent of the Holders of the Finnish W&C Securities, make any modification to these Terms and Conditions (i) which is not materially prejudicial to the interests of the Holders of Finnish W&C Securities, or (ii) to correct a manifest or proven error or an error that is of a formal, minor or technical nature, or to correct, cure or supplement any defective provision contained herein. Subject as aforesaid, no other modification may be made to these Terms and Conditions except with the sanction of an Extraordinary Resolution adopted by the Holders.

Save as provided therein, the Finnish Issuing and Paying Agent Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Finnish W&C Securities.

## **10. Notices**

All notices to Holders shall be valid: (i) if delivered to each Clearing System for communication by them to the Holders; and (ii) if and so long as the W&C Securities are admitted to trading on, and listed on any stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority.

Any such notice shall be deemed to have been given on the second Business Day following such publication or delivery.

All notices regarding Finnish W&C Securities will be deemed to be validly given if sent by mail to a Holder of Finnish W&C Securities to the address registered for such Holder in the system of Euroclear Finland or in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland. Any such notice shall be deemed to have been given, if sent by mail to the Holder, on the fourth Business Day following the day the notice was sent by mail.

All notices regarding Swiss W&C Securities listed on the SIX Swiss Exchange to be made to Holders will be additionally given through the online information system of the SIX Swiss Exchange, by publishing on the SIX Swiss Exchange's website as provided for in the rules of SIX Swiss Exchange.

The SIX Swiss Exchange's designated website is:

[http://www.six-exchange-regulation.com/publications/published\\_notifications/official\\_notices\\_en.html](http://www.six-exchange-regulation.com/publications/published_notifications/official_notices_en.html)

## **11. Expenses and Taxation**

**11.01** Subject to Condition 11.03 below, a Holder of W&C Securities must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement or redemption (as applicable) of such W&C Securities and/or, if applicable, the delivery of the Entitlement pursuant to the terms of such W&C Securities (together “**Expenses**”).

**11.02** Subject to Condition 11.03 below, the Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any W&C Security by any person and all payments or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

### **11.03 Taxation**

(i) All amounts payable in respect of the W&C Securities will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax and, in the case of W&C Securities issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, but in the case of Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada) only (and the applicable Issue Terms will indicate whether the Exercisable Certificates evidence deposit liabilities under the *Bank Act* (Canada)), the Issuer will pay such extra amounts as may be necessary in order that the net amounts received by the holder after such withholding or deduction shall equal the amounts which would have been received in respect of such Certificates, in the absence of such withholding or deduction; except that no extra amounts shall be payable with respect to any payment in respect of any such Certificate:



- (a) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of such Certificate; or
- (b) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder or other person entitled to payments under the Certificates being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (c) to, or to a third party on behalf of, a holder who is, or who does not deal at arm's length with a person who is, a "specified shareholder" (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Issuer; or
- (d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (e) for or on account of any withholding tax or deduction imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, whether currently in effect or as published and amended from time to time ("**FATCA Withholding Tax Rules**").

(ii) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Condition 5.02 and Condition 11.03 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

(iii) Unless the context otherwise requires, any reference in these Conditions to any payment due in respect of the W&C Securities shall be deemed to include (x) the delivery of any Entitlements and (y) any extra amounts which may be payable under this Condition 11.03.

## 12. Further Issues

The Issuer may from time to time, without the consent of the Holders, create and issue further W&C Securities so as to be consolidated with and form a single series with the outstanding W&C Securities of a particular Series.

## 13. Currency Indemnity

Subject to Condition 8, the Settlement Currency is the sole currency of account and payment for all sums payable by the Issuer in respect of the W&C Securities or Units, as the case may be, including damages. Any amount received or recovered in a currency other than the Settlement Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a W&C Security or Unit, as the case may be, in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Settlement Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Settlement Currency expressed to be due to any Holder of a W&C Security or Unit, as the case may be, in respect of such W&C Security or Unit, as the case may be, the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a W&C Security or Unit, as the case may be, and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the W&C Securities or Units, as the case may be, or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a W&C Security or Unit, as the case may be, and no proof or evidence of any actual loss will be required by the Issuer.

#### **14. Branch of Account**

**14.01** This Condition 14 applies only to Redeemable Certificates and Exercisable Certificates that evidence deposit liabilities under the *Bank Act* (Canada). For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Issue Terms shall be the branch of account (the "**Branch of Account**") for the deposit liabilities under the *Bank Act* (Canada) evidenced by the relevant Redeemable Certificates and Exercisable Certificates. If not specified in the applicable Issue Terms, the Branch of Account for such Redeemable Certificates and Exercisable Certificates will be the main branch of the Issuer in Toronto. Such Redeemable Certificates and Exercisable Certificates will be paid without the necessity of first being presented for payment at the Branch of Account. Redeemable Certificates and Exercisable Certificates issued by a Branch of Account are obligations of the Bank.

**14.02** If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposit liabilities under the *Bank Act* (Canada) evidenced by the W&C Security, upon not less than seven days' prior notice to the Holders given in accordance with Condition 10 and upon and subject to the following terms and conditions:

- (i) if the W&C Security is payable in Yen, the Branch of Account shall not be in Japan;
- (ii) the Issuer shall indemnify and hold harmless the holder of the W&C Security against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default,

and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments on the W&C Securities to holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an “**Excluded Holder**” means a holder of a W&C Security of this Series who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a W&C Security of this Series as a non-resident of such Relevant Jurisdiction. “**Relevant Jurisdiction**” means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the payments on the W&C Securities for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

## **15. Adjustments for European Monetary Union**

**15.01** The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the W&C Securities shall be redenominated in euro.

The election will have effect as follows:

- (a) where the Settlement Currency of the W&C Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the W&C Securities will be made solely in euro as though references in the W&C Securities to the Settlement Currency were to euro;
- (b) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the “**Original Currency**”) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and
- (c) such other changes shall be made to these Terms and Conditions as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or

- (ii) require that the Calculation Agent make such adjustments to the Weighting and/or (in the case of Warrants) the Exercise Price and/or any other terms of these Terms and Conditions and/or the applicable Issue Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or (in the case of Warrants) the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, neither the Issuer, any of its Affiliates or agents nor the Calculation Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In these Conditions, the following expressions have the following meanings:

**“Adjustment Date”** means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

**“Established Rate”** means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) of the Treaty;

**“euro”** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

**“National Currency Unit”** means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

**“Treaty”** means the treaty on the Functioning of the European Union, as amended.

## **16. Contracts (Rights of Third Parties) Act 1999**

In the case of English Law W&C Securities (as defined below), the W&C Securities do not confer on any third party any rights under the *Contracts (Rights of Third Parties) Act 1999* (the “**Act**”) to enforce any term of the W&C Securities, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

### **16A. Prescription**

**16A.01** In respect of W&C Securities governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, claims against the Issuer for payment or delivery in respect of the W&C Securities shall become void unless made within two years from the relevant due date for payment or delivery and no claims shall be made after such date.

**16A.02** In respect of W&C Securities governed by English law, claims against the Issuer for payment or delivery in respect of the W&C Securities shall become void unless made within five years from the relevant due date for payment or delivery and no claims shall be made after such date.

**16A.03** In relation to Finnish W&C Securities, the Issuer’s obligation to pay any amounts in respect of the Finnish W&C Securities will cease if a claim for payment of such amount is not made within three years after the Relevant Date.

For the purposes of this Condition 16A.03, “**Relevant Date**” means the date on which such payment first becomes due, or such later date on which an interruption of the period of limitation (Fin. *vanhentumisen katkaiseminen*) is made in accordance with the Finnish Limitations Act (Fin. *laki velan vanhentumisesta (728/2003)*).

## **17. Law and Jurisdiction**

**17.01** The Issue and Paying Agency Agreement and, unless otherwise specified in the applicable Issue Terms, the W&C Securities and the Global W&C Securities and any non-contractual obligations arising out of or in connection therewith are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**17.02** If specified in the applicable Issue Terms, the W&C Securities and the Global W&C Securities and any non-contractual obligations arising out of or in connection therewith shall be governed by, and shall be construed in accordance with, English law (such W&C Securities, “**English Law W&C Securities**”).

**17.03** The Finnish W&C Securities and the Swiss W&C Securities and any non-contractual obligations arising out of or in connection with them, shall be governed by, and construed in accordance with, English law.

**17.03a** In the case of English Law W&C Securities, subject to Condition 17.04c below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the W&C Securities, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the W&C Securities (a “**Dispute**”) and accordingly each of the Issuer and any Holders of the W&C Securities in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

**17.03b** For the purposes of this Condition 17.04a to 17.04c, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

**17.03c** To the extent allowed by law, the Holders of the W&C Securities may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

**17.03d** The Issuer irrevocably agrees that service of process in any such proceedings in England in relation to any Dispute shall be deemed completed on delivery to its London branch at Riverbank House, 2 Swan Lane, London EC4R 3BF, England (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint another person as its agent for service of process in England in respect of any Dispute and shall immediately notify Holders of such appointment in accordance with Condition 10. Nothing shall affect the right to serve process in any other manner permitted by law.

## **18. Terms applicable to Exercisable Certificates and Warrants only**

Conditions 19, 20, 21, 22 and 23 apply to Exercisable Certificates and Warrants only.

## **19. Definitions (Exercisable Certificates and Warrants)**

For the purposes of the Exercisable Certificates and Warrants:

**“Exercise Business Day”** means a day that is a Business Day and, in the case of an Index Linked W&C Security or Equity Linked W&C Security, a Scheduled Trading Day; and

**“In-The-Money”** means

- (a) in the case of a Cash Settled W&C Security, the Cash Settlement Amount in respect of such W&C Security; or
- (b) in the case of a Physical Delivery W&C Security, the value of the Entitlement on the Actual Exercise Date for such W&C Security less (in the case of Warrants) the Exercise Price,

is in each case greater than zero.

## **20. Type (Exercisable Certificates and Warrants)**

The applicable Issue Terms will indicate whether the Exercisable Certificates or Warrants are American style W&C Securities (**“American Style W&C Securities”**), European Style W&C Securities (**“European Style W&C Securities”**), open-ended W&C Securities (**“Open-Ended W&C Securities”**) or, in the case of Exempt W&C Securities, such other type as may be specified in the applicable Pricing Supplement and whether automatic exercise (**“Automatic Exercise”**) applies to the Exercisable Certificates or Warrants and whether the Exercisable Certificates or Warrants may only be exercised in Units. If Automatic Exercise is specified in the applicable Issue Terms in respect of Cash Settled W&C Securities, the applicable Issue Terms will specify whether Delivery of Exercise Notice is applicable. If Units are specified in the applicable Issue Terms, Exercisable Certificates or Warrants, as the case may be must be exercised in Units and any Exercise Notice which purports to exercise W&C Securities in breach of this provision shall be void and of no effect.

## **21. Exercise Rights (Exercisable Certificates and Warrants)**

### ***Exercise Period***

#### *American Style W&C Securities*

**21.01** American Style W&C Securities are exercisable on any Exercise Business Day during the Exercise Period.

**If Automatic Exercise is not specified in the applicable Issue Terms any such American Style W&C Security with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the last Exercise Business Day of the Exercise Period (the “Expiration Date”), shall become void.**

If Automatic Exercise is specified in the applicable Issue Terms any such American Style W&C Security with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent “In-The-Money” will be exercised by the Calculation Agent on behalf of the relevant Holder on the Expiration Date and (i) in the case of Cash Settled W&C Securities, if Delivery of Exercise Notice is specified as applicable in the applicable Issue Terms, or (ii) in the case of Physical Delivery W&C Securities, the provisions of Condition 22.08 shall apply (such an exercise an **“Automatic Exercise”** and references to **“automatically exercised”** shall be construed accordingly).

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate), to Euroclear or Clearstream, Luxembourg or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, as the case may be, and, a copy thereof is delivered to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent, in each case

as provided in Condition 22, or, if Automatic Exercise is specified in the applicable Issue Terms and the W&C Securities are automatically exercised on the Expiration Date as provided above, the Expiration Date, is referred to herein as the “**Actual Exercise Date**”. If any such Exercise Notice is received by Euroclear or Clearstream, Luxembourg, or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, as the case may be, or if a copy thereof is delivered to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent, in each case, after 10.00 a.m., Brussels or Luxembourg time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such W&C Securities in respect of which no Exercise Notice has been delivered in the manner set out in Condition 22 at or prior to 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Issue Terms, become void or (ii) if Automatic Exercise is specified in the applicable Issue Terms, be automatically exercised on the Expiration Date as provided above.

The expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any W&C Securities which are automatically exercised on the Expiration Date in accordance with this provision.

#### *European Style Exercisable Certificates and Warrants*

**21.02** This paragraph 21.02 applies only to Exercisable Certificates and Warrants:

European Style Exercisable Certificates and Warrants are only exercisable on the Exercise Date.

**If Automatic Exercise is not specified in the applicable Issue Terms, any European Style Exercisable Certificate or Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate) on the Exercise Date, shall become void.** If Automatic Exercise is specified in the applicable Issue Terms, any such European Style Exercisable Certificate or Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Exercise Date and which is in the determination of the Calculation Agent “In-The-Money”, will be exercised by the Calculation Agent on behalf of the relevant Holder on the Exercise Date and, (i) in the case of Cash Settled W&C Securities, if Delivery of Exercise Notice is specified as applicable in the applicable Issue Terms, or (ii) in the case of Exempt W&C Securities which are Physical Delivery W&C Securities, the provisions of Condition 22.08 shall apply (such an exercise an “**Automatic Exercise**” and references to “**automatically exercised**” shall be construed accordingly).

The expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any Exercisable Certificates or Warrants which are Automatically Exercised on the Exercise Date in accordance with this provision.

If the W&C Securities are Finnish W&C Securities Automatic Exercise always applies and accordingly those W&C Securities which are “In-The-Money” will be automatically exercised on the Exercise Date all as provided above. Delivery of Exercise Notice will not apply to Finnish W&C Securities.

#### *Open-Ended W&C Securities*

**21.03** Open-Ended W&C Securities are exercisable on any Exercise Date. If any such Exercise Notice is received by the relevant Clearing System or, in the case of Swiss W&C

Securities, the Swiss Programme and Paying Agent or if a copy thereof is delivered to the Issuer and, other than in the case of Swiss W&C Securities, the Issuing and Paying Agent, in each case, after 10.00 a.m., Brussels or Luxembourg time (as appropriate), on an Exercise Date, such Exercise Notice will be deemed to have been delivered on the next Exercise Date, which Exercise Date shall be deemed to be the Actual Exercise Date.

### **Cash Settlement**

**21.04** In the case of Exercisable Certificates or Warrants which are Cash Settled W&C Securities, each such W&C Security or, if Units are specified in the applicable Issue Terms, each Unit, entitles its Holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

### **Physical Settlement**

**21.05** If Exercisable Certificates or Warrants are Physical Delivery W&C Securities, each such W&C Security or, if Units are specified in the applicable Issue Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and, subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the Exercise Price (in the case of Warrants) and any Expenses or sums payable. Delivery of the Entitlement shall be made at the risk of the relevant Holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Holder in the relevant Exercise Notice or, in the case of an Exempt W&C Security, in such manner as is specified in the applicable Pricing Supplement.

Unless in the case of Exempt W&C Securities otherwise specified in the applicable Pricing Supplement, W&C Securities or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such W&C Securities or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment (the “**Cash Adjustment**”) in the Settlement Currency calculated by the Calculation Agent in its sole and absolute discretion or, in the case of Exempt W&C Securities, otherwise in the manner specified in the applicable Pricing Supplement shall be paid to the Holder.

Following exercise of an Equity Linked W&C Security or ETF Linked W&C Security which is a Physical Delivery W&C Security, (i) none of the Issuer or the Calculation Agent shall be under any obligation to register or procure the registration of any Holder or any other person as the registered shareholder in the register of members of the Equity Issuer or ETF and (ii) all dividends on the relevant Equities or Fund Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities or Fund Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Equities or Fund Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 22.02(E).

After delivery of the Entitlement and for such period of time after the Settlement Date as any person other than the relevant Holder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver



or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

*All references in this Condition to “Brussels or Luxembourg time” shall, where W&C Securities are cleared through a clearing system other than Clearstream, Luxembourg or Euroclear be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.*

### **Issuer Call Option**

**21.06** If Issuer Call Option is specified as applicable in the applicable Issue Terms, the Issuer may having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to the Holders in accordance with Condition 10 (which notice shall be irrevocable) elect that the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style Certificates) in respect of all (but not some only) of the W&C Securities will be brought forward and such W&C Securities will be Automatically Exercised on the Call Option Date. If Call Option Cash Settlement is specified as applicable in the applicable Issue Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Issue Terms (a) if the W&C Securities are not Cash Settled W&C Securities, the W&C Securities shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Call Option Cash Settlement Amount specified in the applicable Issue Terms.

If the W&C Securities are Automatically Exercised on the Call Option Date, (i) the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style W&C Securities) shall be the Call Option Date, (ii) the provisions of Conditions 22.06 shall apply and (iii) the expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any W&C Securities which are Automatically Exercised on the Call Option Date in accordance with this provision.

### **Trigger Early Exercise**

**21.07** If Trigger Early Exercise is specified as applicable in the applicable Issue Terms and a Trigger Early Exercise Event occurs, the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style W&C Securities) in respect of all (but not some only) of the W&C Securities will be brought forward and such W&C Securities will be Automatically Exercised on the Trigger Early Exercise Date. If Trigger Early Exercise Cash Settlement is specified as applicable in the applicable Issue Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Issue Terms (a) if the W&C Securities are not Cash Settled W&C Securities, the W&C Securities shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Trigger Early Exercise Cash Settlement Amount specified in the applicable Issue Terms.

If the W&C Securities are Automatically Exercised on the Trigger Early Exercise Date, (i) the Expiration Date (in the case of American Style W&C Securities) or the Exercise Date (in the case of European Style W&C Securities) shall be the Trigger Early Exercise Date, (ii) the provisions of Conditions 22.06 shall apply and (iii) the expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any W&C Securities which are Automatically Exercised on the Trigger Early Exercise Date in accordance with this provision.

## **Exercise Rights (Italian Listed Exercisable Certificates)**

**21.08** This paragraph 21.08 applies only to Italian Listed Exercisable Certificates and any other Condition providing otherwise with respect thereto shall not apply:

**(a) Automatic Exercise**

Italian Listed Exercisable Certificates will be automatically exercised on the Exercise Date in accordance with Condition 21.02. Delivery of Exercise Notice shall not apply.

**(b) Fees and Expenses in connection with Exercise, Renouncement and Settlement**

Notwithstanding the provisions of Condition 11.01, each Holder of an Italian Listed Exercisable Certificate must pay all taxes and duties relating to such Italian Listed Exercisable Certificate.

Notwithstanding the provisions of Condition 11.02, the Issuer shall be liable for all expenses, including any applicable depositary charges, transaction or exercise charges arising from the exercise, settlement and renouncement (as applicable) of Italian Listed Exercisable Certificates. The Issuer shall not otherwise be liable for or obliged to pay any tax, duty or withholding which may arise as a result of the ownership, transfer, exercise (and renouncement, if applicable) or enforcement of Italian Listed Exercisable Certificates and all payments made by the Issuer shall be made subject to any such tax, duty or withholding.

No amounts relating to the cost of unwinding any underlying related hedging arrangements shall be deducted with respect to Italian Listed Exercisable Certificates and the words "less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements)" shall be deemed to be deleted in, *inter alia*, Conditions 5.01, 5.02, 6.02, 29.03, 29.05, 30.02, 30.03, 30.04, 33.05, 33.07 and the definitions of Disruption Cash Settlement Price and Failure to Deliver Settlement Price.

**(c) Right to Renounce**

The Holder of an Italian Listed Exercisable Certificate may, prior to the Renouncement Cut-off Time, as specified in the applicable Issue Terms, on an Exercise Date, renounce automatic exercise of such Certificate by the delivery of a duly completed Renouncement Notice (a "**Renouncement Notice**") substantially in the form set out in Schedule 15 to the Issue and Paying Agency Agreement and in Annex 1 to this Base Prospectus to The Bank of New York Mellon (Luxembourg) S.A. Italian Branch, Via Carducci, 31 – 20123, Milan, Italy ("**BNY Italy**") in compliance with the laws and regulations of the Italian Stock Exchange applicable from time to time. Copies of the form of Renouncement Notice may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, One Canada Square, London E14 5AL, England and its Italian Branch, Via Carducci 31, 20123, Milan, Italy. The number of Italian Listed Exercisable Certificates specified in a Renouncement Notice must be a multiple of the Minimum Trading Size, otherwise such number of Italian Listed Exercisable Certificates so specified shall be rounded down to the preceding multiple of the Minimum Trading Size and the Renouncement Notice shall not be valid in respect of a number of such Italian Listed Exercisable Certificates exceeding such rounded number.

**(d) Fees and Expenses in connection with renouncement**

Neither any Paying Agent nor the Issuer shall apply any charge for the renouncement of the exercise of any Italian Listed Exercisable Certificates. Any other taxes, duties and/or

expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties which may arise in connection with the renunciation of any Italian Listed Exercisable Certificates are payable by the Holders.

**(e) Delivery of Renunciation Notice**

A Renunciation Notice must be delivered by fax to BNY Italy with a copy to the Issuer prior to the Renunciation Cut-off Time specified in the applicable Issue Terms. Once delivered a Renunciation Notice shall be irrevocable.

**(f) Failure to complete a Renunciation Notice**

If, in respect of an Italian Listed Exercisable Certificate the Holder does not deliver a duly completed Renunciation Notice in accordance with the provisions hereof, such Italian Listed Exercisable Certificate shall be automatically exercised in accordance with Condition 21.02.

**(g) Paying Agent's discretion**

Any determination as to whether a Renunciation Notice is duly completed and in proper form shall be made by the Paying Agent (in consultation with the relevant Clearing System in which such Certificates are held) and shall be conclusive and binding on the Issuer and the Holders. Subject as set out below, any Renunciation Notice so determined to be incomplete or not in proper form shall be null and void. If such Renunciation Notice is subsequently corrected to the satisfaction of the Paying Agent, it shall be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the Paying Agent.

**(h) Discretionary Determinations**

In the case of Italian Listed Exercisable Certificates, any determinations to be made by the Calculation Agent or the Issuer will be made in good faith and in a reasonable manner.

## **22. Exercise Procedure (Exercisable Certificates and Warrants)**

### **Exercise Notices**

**22.01** Subject as provided in Condition 22.08, if Automatic Exercise is not specified in the applicable Issue Terms, Exercisable Certificates and Warrants may only be exercised by delivering in a manner acceptable to the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, an exercise notice (an “**Exercise Notice**”) to the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, with a copy to the Issuer and, other than in the case of Swiss W&C Securities, the Issuing and Paying Agent in accordance with the provisions of Condition 21 and this Condition including the information set out below:

In the case of Cash Settled W&C Securities, the Exercise Notice shall:

- (A) specify the ISIN and series of the W&C Securities and the number of W&C Securities being exercised and, if Units are specified in the applicable Issue Terms, the number of Units being exercised;
- (B) specify the number of the Holder's account at the relevant Clearing System to be debited with the W&C Securities being exercised;

- (C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Holder's account with the W&C Securities being exercised;
- (D) specify the number of the Holder's account at the relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each W&C Security or Unit, as the case may be, being exercised;
- (E) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, or any other Clearing System, as the case may be, in respect thereof and to pay such Expenses;
- (F) certify that the beneficial owner of each W&C Security being exercised is not a U.S. person, as defined as any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being non-U.S. Persons; or (vii) any other "U.S. Person" as such term may be defined in Rule 902(k) of Regulation S under the Securities Act of 1933, as amended or in regulations adopted under the Commodity Exchange Act, as amended (a "**U.S. Person**"), such W&C Securities were not held on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate in the case of an Exempt W&C Security, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Pricing Supplement; and
- (G) authorise the production of such certification in applicable administrative or legal proceedings.

**22.02** In the case of Physical Delivery W&C Securities, the Exercise Notice shall:

- (A) specify the ISIN and series of the W&C Securities and the number of W&C Securities being exercised and, if Units are specified in the applicable Issue Terms, the number of Units being exercised;
- (B) specify the number of the Holder's account at the relevant Clearing System to be debited with the W&C Securities being exercised;

- (C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Holder's account with the W&C Securities being exercised;
- (D) in the case of Warrants, irrevocably instruct the relevant Clearing System, to debit on the Actual Exercise Date a specified account of the Holder with the relevant Clearing System, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
- (E) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
- (F) specify the name and address of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement or, in the case of Exempt W&C Securities, include such details as are required by the applicable Pricing Supplement for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price;
- (G) in the case of Currency Linked W&C Securities only, specify the number of the Holder's account at the relevant Clearing System to be credited with the amount due upon exercise of the W&C Securities;
- (H) certify, *inter alia*, that the beneficial owner of each W&C Security being exercised is not a U.S. person as defined in Condition 22.01, such W&C Securities were not held on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Pricing Supplement; and
- (I) authorise the production of such certification in any applicable administrative or legal proceedings.

**22.03** If Condition 4.04 applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Issuing and Paying Agent or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent.

### ***Irrevocable Election***

**22.04** Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the W&C Securities specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such W&C Securities.

### ***Verification of the Holder***

**22.05** Upon receipt of an Exercise Notice, the relevant Clearing System or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, shall verify that the person exercising the W&C Securities is the Holder thereof according to the books of the relevant Clearing System. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent, the ISIN and series and the number of W&C Securities being exercised and the account details of the Holder, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each W&C Security or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Settlement Date debit the account of the relevant Holder with the W&C Securities being exercised. If the W&C Securities are American Style W&C Securities or Open-Ended W&C Securities, upon exercise of less than all the W&C Securities constituted by a Global W&C Security, the Common Depositary will, on the instructions of, and on behalf of, the Issuing and Paying Agent, note such exercise on the Schedule to such Global W&C Security and the number of W&C Securities so constituted shall be reduced by the cancellation *pro tanto* of the W&C Securities so exercised.

### **22.06 Settlement**

#### ***(a) Cash Settled W&C Securities***

The Issuer, through the Issuing and Paying Agent or, in the case of Finnish W&C Securities, the Finnish Issuing and Paying Agent, or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised W&C Security or Unit, as the case may be, to (i) where the relevant Clearing System is Euroclear or Clearstream, Luxembourg, the common depositary for Euroclear and Clearstream, Luxembourg in whose name the Global W&C Security is registered or (ii) where the relevant Clearing System is Euroclear Finland, the account of each person registered as a Holder of such in the Finnish Securities Register on the fifth (5) Business Day prior to the Settlement Date in accordance with the rules and procedures applied by Euroclear Finland from time to time or (iii) otherwise, the Holder's account with the relevant Clearing System specified in the relevant Exercise Notice (if applicable), in each case for value on the Settlement Date less any Expenses not already paid.

Payment will be made in accordance with the rules of the relevant Clearing System. The Issuer will be discharged by payment, in the case of (i) above, to the common depositary as aforesaid or, in the case of (ii) above to, or to the order of the relevant Clearing System, in either case in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular number of W&C Securities must look solely to such Clearing System for his share of each such payment so made to the common depositary or, as applicable, to, or to the order of such Clearing System.

Payments will, without prejudice to the provisions of Condition 11.03, be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to the FATCA Withholding Tax Rules.

#### ***(b) Physical Delivery W&C Securities***

Subject to payment of the aggregate Exercise Prices (in the case of Warrants) and any Expenses with regard to the relevant W&C Securities or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised W&C Security or Unit, as the case may be, (subject to certification as to non-U.S. beneficial ownership) pursuant to the details specified in the Exercise Notice subject as provided in Condition 21.06. Delivery of the Entitlement shall be made at the risk of the relevant Holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Holder in the relevant Exercise Notice or, in the case of an Exempt W&C Security, in such manner as is specified in the applicable Pricing Supplement.

*(c) Physical Delivery W&C Securities – Intermediated Securities*

Subject to Condition (b) above, delivery of the Entitlement in respect of Swiss W&C Securities in the form of Intermediated Securities will be made to the Holders subject to Condition 1.06 and in accordance with the rules and procedures applied by SIX SIS from time to time.

## **22.07 Determinations**

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the relevant Clearing System, in consultation with the Issuer and the Issuing and Paying Agent or, in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, and shall be conclusive and binding on the Issuer, the Issuing and Paying Agent or the Swiss Programme and Paying Agent, as the case may be, and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent and/or the Issuer immediately after being delivered or sent to the relevant Clearing System shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of the Clearing Systems or in the case of Swiss W&C Securities, of the Swiss Programme and Paying Agent, in consultation with the Issuing and Paying Agent (other than in the case of Swiss W&C Securities) and the Issuer it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System with a copy to the Issuing and Paying Agent (other than in the case of Swiss W&C Securities) and the Issuer.

**If Automatic Exercise is not specified in the applicable Issue Terms, any W&C Securities (other than Open-Ended W&C Securities) with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 21.01, in the case of American Style W&C Securities, or Condition 21.02, in the case of European Style W&C Securities, shall become void.**

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

### ***Automatic Exercise***

**22.08** This paragraph only applies to W&C Securities (i) (A) if Automatic Exercise is specified in the applicable Issue Terms and the W&C Securities are automatically exercised as provided in Condition 21.01 or Condition 21.02 or (B) if the W&C Securities are automatically exercised pursuant to Condition 21.07 and (ii) in the case of Cash Settled W&C

Securities, if Delivery of Exercise Notice is specified as applicable in the applicable Issue Terms.

Delivery of Exercise Notice shall not apply to Finnish W&C Securities.

In order to receive the Cash Settlement Amount, if the W&C Securities are Cash Settled W&C Securities, or the Entitlement, if the W&C Securities are Physical Delivery W&C Securities, in respect of a W&C Security, or if Units are specified in the applicable Issue Terms, a Unit, as the case may be, the relevant Holder must deliver in a form acceptable to the relevant Clearing System or in the case of Swiss W&C Securities, to the Swiss Programme and Paying Agent, an Exercise Notice to the relevant Clearing System or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, with a copy to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent on any Business Day until not later than 10.00 a.m., Brussels or Luxembourg time (as appropriate), on the day (the “**Cut-Off Date**”) falling 180 calendar days after (i) the Expiration Date, in the case of American Style W&C Securities, or (ii) the Actual Exercise Date, in the case of European Style W&C Securities. The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 22.01 or Condition 22.02, as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-Off Date on which an Exercise Notice is delivered to Euroclear or Clearstream, Luxembourg or the Swiss Programme and Paying Agent, as the case may be, and a copy thereof delivered to the Issuer and the Issuing and Paying Agent is referred to in this Condition as the “**Exercise Notice Delivery Date**”, provided that if the Exercise Notice is delivered to the relevant Clearing System or in the case of Swiss W&C Securities, to the Swiss Programme and Paying Agent, and (other than in the case of Swiss W&C Securities) a copy thereof delivered to the Issuing and Paying Agent at or after 10:00 a.m., Brussels or, Luxembourg time (as appropriate) on a Business Day the Exercise Notice Delivery Date shall be deemed to be the next succeeding Business Day.

Subject to the relevant Holder performing its obligations in respect of the relevant W&C Security or Unit, as the case may be, in accordance with these Terms and Conditions, the Settlement Date for such W&C Securities or Units, as the case may be, shall be (i) in the case of Cash Settled W&C Securities, the fourth Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery W&C Securities and subject to Conditions 4.03 and 4.04, the fourth Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Condition prior to 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Cut-Off Date, the Issuer’s obligations in respect of such W&C Securities and shall be discharged and no further liability in respect thereof shall attach to the Issuer.

***Minimum and Maximum Number of W&C Securities Exercisable***

***American Style W&C Securities and Open-Ended W&C Securities***

**22.09** This paragraph 22.09 applies only to American Style W&C Securities or Open-Ended W&C Securities:

- (A) The number of W&C Securities exercisable by any Holder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Issue Terms and, if specified in the applicable Issue Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Issue Terms. Any Exercise Notice which purports to exercise W&C Securities in breach of this provision shall be void and of no effect.



- (B) If the Issuer determines that the number of W&C Securities being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such W&C Securities, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such W&C Securities (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such W&C Securities have been attributed with an Actual Exercise Date, provided, however, that in the case of American Style W&C Securities the deemed Actual Exercise Date for any such W&C Securities which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of W&C Securities are exercised on the same day by Holder(s), the order of settlement in respect of such W&C Securities shall be at the sole discretion of the Issuer.

### **European Style W&C Securities**

**22.10** This paragraph 22.10 applies only to European Style W&C Securities:

*The number of W&C Securities exercisable by any Holder on any Exercise Date as determined by the Issuer must be equal to the Minimum Exercise Number specified in the applicable Issue Terms and, if specified in the applicable Issue Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Issue Terms. Any Exercise Notice which purports to exercise W&C Securities in breach of this provision shall be void and be of no effect.*

## **23. Additional Amounts**

### **Calculation of Additional Amounts**

**23.01** If so specified in the applicable Issue Terms, each W&C Security pays additional amounts from and including the Issue Date at the Additional Amount Rate payable in arrear on each Additional Amount Payment Date.

The additional amount payable in respect of each W&C Security on each Additional Amount Payment Date will amount to the Additional Amount for the Additional Amount Period ending on (but excluding) such Additional Amount Payment Date.

If an additional amount is required to be calculated for a period ending other than on (but excluding) an Additional Amount Payment Date, it will be calculated on the basis of the number of days from and including the most recent Additional Amount Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date (the “**Calculation Period**”) and the Additional Amount Rate Day Count Fraction.

### **Accrual of Additional Amounts**

**23.02** Each W&C Security will cease to accrue additional amounts from and including the Additional Amount Cut-Off Date or, if earlier, the date on which the W&C Security is cancelled (the “**Cancellation Date**”), if applicable, in accordance with these Terms and Conditions unless payment of the amount and/or, in the case of a Physical Delivery W&C Security, delivery of any Entitlement due on the Settlement Date or Cancellation Date, as the case may be, is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional amount(s) shall accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be.

For the avoidance of doubt, no additional amount on the W&C Security shall accrue beyond (a) the Exercise Date in the event that delivery of any Entitlement, in the case of an Exempt W&C Security which is a Physical Delivery W&C Security, is postponed due to the occurrence of a Settlement Disruption Event or (b) the Additional Amount Cut-Off Date, notwithstanding that the Settlement Date may be postponed as provided in the applicable Issue Terms.

In the event that an Additional Amount Payment Date is postponed as provided in the applicable Issue Terms, no additional amount or other amount shall be payable on the W&C Securities in respect of such delay.

### ***Payment of Additional Amounts***

**23.03** Where the W&C Securities pay additional amounts as specified in the applicable Issue Terms, subject as provided below, the Issuer shall pay or cause to be paid the Additional Amount for each W&C Security in respect of each Additional Amount Period on the relevant Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

The Issuer will be discharged by payment to, or to the order of, the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the W&C Security must look solely to such Clearing System for his share of each such payment so made to, or to the order of, the relevant Clearing System.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to FATCA Withholding Tax Rules.

### ***Definitions***

**"Additional Amount"** means, in respect of each W&C Security and each Additional Amount Period, an amount calculated by the Calculation Agent as follows:

$$\text{Notional Amount per W\&C Security} \times \text{Additional Amount Rate} \times \text{Additional Amount Rate Day Count Fraction}.$$

**"Additional Amount Rate Day Count Fraction"** means, in respect of the calculation of an additional amount and a period:

**23.04** (a) if **"30/360 (Floating)"** or **"360/360"** or **"Bond Basis"** is specified in the applicable Issue Terms, the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

$$\begin{aligned} &\text{Additional Amount Rate Day Count Fraction} \\ &= \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360} \end{aligned}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (b) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Issue Terms, the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (c) “**30E/360 (ISDA)**” is specified in the applicable Issue Terms, the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Additional Amount Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D<sub>2</sub> will be 30;

- (d) if “**Actual/360**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 360;
- (e) if “**Actual/Actual (ISDA)**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 365 (or, if any portion of that Additional Amount Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Additional Amount Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Additional Amount Period falling in a non-leap year divided by 365);
- (f) if “**Actual/365 (Fixed)**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 365; and
- (g) if “**Actual/365 (Sterling)**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 365 or, in the case of an Additional Amount Payment Date falling in a leap year, 366.

“**Additional Amount Period**” means the period commencing on (and including) the Issue Date to (but excluding) the first Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) and each period commencing on (and including) an Additional Amount Accrual Date to (but excluding) the next following Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) or the Calculation Period, as the case may be.

#### **24. Terms applicable to Redeemable Certificates only**

Conditions 25, 26 and 27 inclusive apply to Redeemable Certificates only.

#### **25. Redemption (Redeemable Certificates)**

**25.01** Redeemable Certificates shall be redeemed on the Redemption Date. If the Redeemable Certificates are Cash Settled W&C Securities, each such Redeemable Certificate entitles its Holder to receive from the Issuer on the Redemption Date the Cash Settlement Amount. If the Redeemable Certificates are Physical Delivery W&C Securities, each such Redeemable Certificate entitles its Holder, subject to certification as to non-U.S. beneficial ownership and to the provisions of Condition 26.01, to receive from the Issuer on the Redemption Date the Entitlement subject to payment of any Expenses. Delivery of the Entitlement shall be made at the risk of the relevant Holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Holder in the relevant Collection Notice or, in the case of an Exempt W&C Security, in such manner as is specified in the applicable Pricing Supplement.

If (i) the date for payment of any amount in respect of the Redeemable Certificates is not a Business Day, the Holder shall not be entitled to payment until the next following Business

Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of the Entitlement in respect of the Redeemable Certificates is not a Settlement Business Day, the Holder shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

Unless in the case of Exempt W&C Securities otherwise specified in the applicable Pricing Supplement, Redeemable Certificates (other than Swiss W&C Securities) of the same Holder redeemed and in respect of which a Collection Notice (as defined below) has been duly given as provided in Condition 26.01, will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Redeemable Certificates, provided that the aggregate Entitlements will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment (the “**Cash Adjustment**”) calculated by the Calculation Agent in its sole and absolute discretion or, in the case of Exempt W&C Securities, otherwise in the manner specified in the applicable Pricing Supplement shall be paid to the Holder.

Following redemption of an Equity Linked W&C Security or ETF Linked W&C Security which is a Physical Delivery W&C Security, (i) none of the Issuer or the Calculation Agent shall be under any obligation to register or procure the registration of any Holder or any other person as the registered shareholder in the register of members or shareholders of the Equity Issuer or ETF and (ii) all dividends on the relevant Equities or Fund Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Equities or Fund Shares executed on the Redemption Date and to be delivered in the same manner as such relevant Equities or Fund Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Collection Notice as referred to in Condition 26.01(E).

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

### ***Issuer Call Option***

**25.02** If Issuer Call Option is specified as applicable in the applicable Issue Terms the Issuer may, having given not less than the minimum period and not more than the maximum period of notice specified in the applicable Issue Terms to the Holders in accordance with Condition 10 (which notice shall be irrevocable) elect that the Redemption Date for all (but not some only) of the Redeemable Certificates be brought forward to the Call Option Date. If Call Option Cash Settlement is specified as applying in the applicable Issue Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Issue Terms (a) if the Redeemable Certificates are not Cash Settled W&C Securities, the Redeemable Certificates shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Call Option Cash Settlement Amount specified in the applicable Issue Terms.

### ***Trigger Early Redemption***

**25.03** If Trigger Early Redemption is specified as applicable in the applicable Issue Terms and a Trigger Early Redemption Event occurs, the Redemption Date for all (but not some only) of the Redeemable Certificates will be brought forward to the Trigger Early Redemption Date. If Trigger Early Redemption Cash Settlement is specified as applicable in the applicable Issue Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Issue Terms (a) if the Redeemable Certificates are not Cash Settled W&C Securities, the Redeemable Certificates shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount shall be the Trigger Early Redemption Cash Settlement Amount specified in the applicable Issue Terms.

### ***Holder Put Option***

**25.04** If Holder Put Option is specified as applicable in the applicable Issue Terms, a Holder may, by giving not less than the minimum period and not more than the maximum period of notice as set out below elect to bring forward the Redemption Date for his Redeemable Certificates to the Put Option Date set out in the relevant Put Notice (as defined below). If Put Option Cash Settlement is specified as applying in the applicable Issue Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Issue Terms (a) if the Redeemable Certificates are not Cash Settled W&C Securities, the Redeemable Certificates shall be deemed to be Cash Settled W&C Securities and (b) the Cash Settlement Amount for the relevant Redeemable Certificates shall be the Put Option Cash Settlement Amount specified in the applicable Issue Terms.

In order to exercise the right to bring forward the Redemption Date of a Redeemable Certificate the Holder must deliver in a form acceptable to the relevant Clearing System or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, a duly completed notice of exercise (a **"Put Notice"**) in the form set out in the Issue and Paying Agency Agreement to the relevant Clearing System or in the case of Swiss W&C Securities, the Swiss Programme and Paying Agent, with a copy to the Issuer and (other than in the case of Swiss W&C Securities) the Issuing and Paying Agent. Copies of the Put Notice are available at the specified offices of the Paying Agents. Once delivered a Put Notice shall be irrevocable and the Redeemable Certificates the subject of such notice may not be transferred.

### ***Redemption (Italian Listed Redeemable Certificates)***

**25.05** This paragraph 25.05 applies to Italian Listed Redeemable Certificates and in the event of a conflict with any other Condition, such other Condition shall not apply.

#### **(a) Redemption**

Italian Listed Redeemable Certificates will be redeemed on the Redemption Date. The provisions of Conditions 25.01, 25.02, 25.03, 25.04 and 26 shall apply to Italian Listed Redeemable Certificates, as applicable.

#### **(b) Fees and Expenses in connection with Redemption and Settlement**

Notwithstanding the provisions of Condition 11.01, each Holder of an Italian Listed Redeemable Certificate must pay all taxes and duties relating to such Italian Listed Redeemable Certificate.

Notwithstanding the provisions of Condition 11.02, the Issuer shall be liable for all expenses, including any applicable depositary charges or transaction charges arising from the settlement or renouncement (as applicable) of Italian Listed Redeemable Certificates. The Issuer shall not otherwise be liable for or obliged to pay any tax, duty or withholding which may arise as a result of the ownership, transfer, redemption or enforcement of Italian Listed Redeemable Certificates and all payments made by the Issuer shall be made subject to any such tax, duty or withholding.

Notwithstanding anything to the contrary in the Conditions, no amounts relating to the cost of unwinding any underlying related hedging arrangements shall be deducted with respect to Italian Listed Redeemable Certificates and the words “less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements)” shall be deemed to be deleted in, *inter alia*, Conditions 5.01, 5.02, 6.02, 29.03, 29.05, 30.02, 30.03, 30.04, 33.05, 33.07 and the definitions of Cash Settlement Price and Failure to Deliver Settlement Price.

(c) **Discretionary Determinations**

In the case of Italian Listed Redeemable Certificates, any determinations to be made by the Calculation Agent or the Issuer will be made in good faith and in a reasonable manner.

**26. Collection Notices and Settlement (Redeemable Certificates)**

**Collection Notices**

**26.01** In order to receive the Entitlement in respect of a Redeemable Certificate (other than Swiss W&C Securities), the relevant Holder must provide in a form acceptable to the relevant Clearing System, a collection notice (a “**Collection Notice**”) to the relevant Clearing System with a copy to the Issuer and the Issuing and Paying Agent, not later than 10.00 am Brussels or Luxembourg time (as appropriate) on the date falling two Business Days prior to the Redemption Date (the “**Cut-Off Date**”).

The Collection Notice shall:

- (A) specify the ISIN and series of the Redeemable Certificates and the number of Redeemable Certificates the subject of such Collection Notice;
- (B) specify the number of the Holder’s account at the relevant Clearing System to be debited with the Redeemable Certificates the subject of such Collection Notice;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Redemption Date the Holder’s account with the Redeemable Certificates the subject of such Collection Notice;
- (D) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
- (E) specify the name and address of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement or, in the case of Exempt W&C Securities, include such details as are required by the applicable Pricing Supplement for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder’s account with

the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;

- (F) in the case of Currency Linked W&C Securities only, specify the number of the Holder's account at the relevant Clearing System to be credited with the amount due upon exercise of the Redeemable Certificates;
- (G) certify, *inter alia*, that the beneficial owner of each Redeemable Certificate which is the subject of such Collection Notice is not a U.S. person (as defined in the Collection Notice), the Redeemable Certificate was not held on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Pricing Supplement; and
- (H) authorise the production of such certification in any applicable administrative or legal proceedings.

**26.02** If Condition 4.04 applies, the form of Collection Notice required to be delivered will be different from that set out above. Copies of such Collection Notice may be obtained from Euroclear or Clearstream, Luxembourg.

***Late Delivery and Non-delivery of Collection Notice***

**26.03** If a Holder so delivers a duly completed Collection Notice after the Cut-Off Date, the Entitlement shall be delivered as soon as practicable after the Redemption Date, provided that if a Holder does not so deliver a duly completed Collection Notice in accordance with this Condition 26.03 prior to the close of business in the place of receipt on the 180<sup>th</sup> calendar day following the Cut-Off Date, the Issuer's obligations in respect of such Redeemable Certificates shall be discharged and no further liability in respect thereof shall attach to the Issuer. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise as a result of such Redemption Date falling after the originally designated Redemption Date and no liability in respect hereof shall attach to the Issuer.

After the delivery of a Collection Notice, the relevant Holder may not transfer the Redeemable Certificates to which the Collection Notice relates.

***Verification of the Holder***

**26.04** Upon receipt of a Collection Notice, the relevant Clearing System shall verify that the person submitting the Collection Notice is the Holder of the relevant Redeemable Certificates according to the books of the relevant Clearing System. Subject thereto, the relevant Clearing System will confirm to the Issuing and Paying Agent, the ISIN and series and the number of Redeemable Certificates being exercised, the relevant account details of the Holder (if applicable) and the details for the delivery of the Entitlement in respect of each Redeemable Certificate the subject of the relevant Collection Notice. Upon receipt of such confirmation, the Issuing and Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Redemption Date debit the account of the relevant Holder with the Redeemable Certificates the subject of the relevant Collection Notice.



## **Redemption**

### *Cash Settled Redeemable Certificates*

**26.05** Subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Redeemable Certificate by credit or transfer to (i) the Holder's account with the relevant Clearing System or (ii) where the relevant Clearing System is Euroclear Finland, the account of each person registered as a Holder of such in the Finnish Securities Register on the fifth (5) Business Day prior to the Redemption Date in accordance with the rules and procedures applied by Euroclear Finland from time to time, in either case for value on the Redemption Date less any Expenses, such payment to be made in accordance with the rules of the relevant Clearing System. The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular number of the Redeemable Certificates must look solely to such Clearing System for his share of each such payment so made to, or to the order of such Clearing System.

Payments will, without prejudice to the provisions of Condition 11.03, be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to the FATCA Withholding Tax Rules.

The Cash Settlement Amount is payable as consideration for the use of the Issue Price of the Redeemable Certificates and as compensation in recognition that the Cash Settlement Amount might otherwise have been less than the Issue Price.

### *Physical Delivery W&C Securities*

**26.06** Subject to payment of any Expenses with regard to the relevant Redeemable Certificates, the Issuer shall deliver, or procure the delivery of, the Entitlement for each Redeemable Certificate (other than Swiss W&C Securities) in respect of which a valid Collection Notice has been delivered as provided in Condition 26.01 pursuant to the details specified in the Collection Notice subject as provided in Condition 4.

Delivery of the Entitlement shall be made at the risk of the relevant Holder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine to be appropriate and notified to the person designated by the Holder in the relevant Collection Notice or, in the case of an Exempt W&C Security, in such manner as is specified in the applicable Pricing Supplement.

### *Physical Delivery W&C Securities – Intermediated Securities*

**26.06a** Delivery of the Entitlement in respect of Swiss W&C Securities in the form of Intermediated Securities will be made to the Holders on the due date for such delivery, subject to Condition 1.06 and in accordance with the rules and procedures applied by SIX SIS from time to time.

## **Determinations**

**26.07** Any determination as to whether a Collection Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Issuing and Paying Agent, and shall be conclusive and binding on the Issuer, the Issuing and Paying Agent and the relevant Holder. Subject as set out below, any Collection Notice so determined to be incomplete or not in proper form, or which is not copied to the Issuing and Paying Agent and the Issuer immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg, the Issuing and Paying Agent or the Issuer, as applicable, shall be null and void.

If such Collection Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Issuing and Paying Agent, it shall be deemed to be a new

Collection Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuing and Paying Agent and the Issuer.

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

## **27. Additional Amounts**

### ***Calculation of Additional Amounts***

**27.01** If so specified in the applicable Issue Terms, each Redeemable Certificate pays additional amounts from and including the Issue Date at the Additional Amount Rate payable in arrear on each Additional Amount Payment Date.

The additional amount payable in respect of each Redeemable Certificate on each Additional Amount Payment Date will amount to the Additional Amount for the Additional Amount Period ending on (but excluding) such Additional Amount Payment Date.

If an additional amount is required to be calculated for a period ending other than on (but excluding) an Additional Amount Payment Date, it will be calculated on the basis of the number of days from and including the most recent Additional Amount Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date (the “**Calculation Period**”) and the Additional Amount Rate Day Count Fraction.

### ***Accrual of Additional Amount***

**27.02** Each Redeemable Certificate will cease to accrue additional amount from and including the Additional Amount Cut-Off Date or, if earlier, the date on which the Redeemable Certificates are redeemed (the “**Cancellation Date**”), if applicable, in accordance with these Terms and Conditions unless payment of the amount and/or, in the case of Physical Delivery W&C Securities, delivery of any Entitlement due on the Redemption Date or Cancellation Date, as the case may be, is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case additional amount(s) shall accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be.

For the avoidance of doubt, no additional amount on the Redeemable Certificates shall accrue beyond (a) the Redemption Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event or (b) the Additional Amount Cut-Off Date, notwithstanding that the Redemption Date may be postponed as provided in the applicable Issue Terms.

In the event that an Additional Amount Payment Date is postponed as provided in the applicable Issue Terms, no additional amount or other amount shall be payable on the Redeemable Certificates in respect of such delay.

### ***Payment of Additional Amounts***

**27.03** Where the Redeemable Certificates pay additional amounts, subject as provided below, the Issuer shall pay or cause to be paid the Additional Amount for each Redeemable Certificate in respect of each Additional Amount Period on the relevant Additional Amount Payment Date by credit or transfer to the Holder’s account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a particular amount of the Redeemable Certificates must look solely to the relevant Clearing System for his share of each such payment so made to, or to the order of, the relevant Clearing System.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to the FATCA Withholding Tax Rules.

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

### **Definitions**

**“Additional Amount”** means, in respect of each Redeemable Certificate and each Additional Amount Period, an amount calculated by the Calculation Agent as follows:

$$\text{Notional Amount per Redeemable Certificate} \times \text{Additional Amount Rate} \times \text{Additional Amount Rate Day Count Fraction.}$$

**“Additional Amount Rate Day Count Fraction”** means, in respect of the calculation of an additional amount and a period:

- 27.04 (a)** if **“30/360 (Floating)”** or **“360/360”** or **“Bond Basis”** is specified in the applicable Issue Terms, the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (b) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Issue Terms, the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

$$\begin{aligned} &\text{Additional Amount Rate Day Count Fraction} \\ &= \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360} \end{aligned}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Additional Amount Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (c) if “**30E/360 (ISDA)**” is specified in the applicable Issue Terms, the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

$$\begin{aligned} &\text{Additional Amount Rate Day Count Fraction} \\ &= \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360} \end{aligned}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Additional Amount Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D<sub>2</sub> will be 30;

- (d) if “**Actual/360**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 360;
- (e) if “**Actual/Actual (ISDA)**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 365 (or, if any portion of that Additional Amount Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Additional Amount Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Additional Amount Period falling in a non-leap year divided by 365);
- (f) if “**Actual/365 (Fixed)**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 365; and
- (g) If “**Actual/365 (Sterling)**” is specified in the applicable Issue Terms, the actual number of days in the Additional Amount Period divided by 365 or, in the case of an Additional Amount Payment Date falling in a leap year, 366.

“**Additional Amount Period**” means the period commencing on (and including) the Issue Date to (but excluding) the first Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) and each period commencing on (and including) an Additional Amount Accrual Date to (but excluding) the next following Additional Amount Accrual Date (or if earlier the Additional Amount Cut-Off Date) or the Calculation Period, as the case may be.

## **28. Credit Linked W&C Securities**

*This Condition applies to Exempt W&C Securities only.*

Provisions relating to the redemption of Credit Linked W&C Securities will be set out in the applicable Pricing Supplement.

## **29. Index Linked W&C Securities**

**29.01** If the W&C Securities are specified as Index Linked W&C Securities in the applicable Issue Terms, then the provisions of this Condition 29 apply.

## ***Adjustments to an Index and Additional Disruption Events***

### ***Successor Index Sponsor Calculates and Reports an Index***

**29.02** If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the “**Successor Index Sponsor**”) acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Index.

### ***Modification and Cessation of Calculation of an Index***

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

- (A) require the Calculation Agent in its sole and absolute discretion to determine if such Index Adjustment Event has a material effect on the W&C Securities and, if so, to calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date or, in the case of Exempt W&C Securities, such other date as specified in the applicable Pricing Supplement, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or
- (B) on giving notice to the Holders in accordance with Condition 10, cancel the W&C Securities. If the W&C Securities are so cancelled, the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Index Adjustment Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such

manner as shall be notified to the Holders in accordance with Condition 10.

**29.04** Upon the occurrence of an Index Adjustment Event, the Issuer shall give notice as soon as practicable to Holders in accordance with Condition 10 stating the occurrence of an Index Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer will make available for inspection by Holders copies of any such determinations.

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

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Terms and Conditions and/or the applicable Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (B) give notice to the Holders in accordance with Condition 10 and cancel all, but not some only, of the W&C Securities, and pay any amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (C) if the applicable Issue Terms provide that “**Index Substitution**” is applicable, then on or after the Additional Disruption Event the Calculation Agent may select one or more indices (each a “**Substitute Index**”) in accordance with the Index Substitution Criteria to substitute in place of the Indices (each an “**Affected Index**”) which are affected by such Additional Disruption Event and each Substitute Index will be deemed to be an “Index” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

**29.06** Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action. The Issuer shall make available for inspection by Holders copies of any such determinations.

### Correction to an Index

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

### **29.08 Definitions applicable to Index Linked W&C Securities**

**“Additional Disruption Event”** means Change in Law, Hedging Disruption, Increased Cost of Hedging, or, in the case of an Exempt W&C Security, any other Additional Disruption Event, in each case if specified in the applicable Issue Terms.

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

- (i) if ‘Omission’ is specified in the applicable Issue Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for the purposes of determining the relevant Reference Level. If through the operation of this provision no Averaging Date would occur, then for the purposes of determining the Reference Level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Issue Terms, then for the purposes of determining the Reference Level, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked W&C Securities; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Issue Terms, then:
  - (A) where the W&C Securities relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging



Date) and (ii) the Calculation Agent shall determine the Reference Level for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of "Valuation Date" below; or

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

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

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

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

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

**"Exchange"** means, (i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Issue Terms, any successor to such exchange or quotation system or

any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); or (ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, in relation to each component security included in that Index (each a **“Component Security”**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

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

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

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

**“Index”** and **“Indices”** mean, subject to adjustment in accordance with Condition 29.02, the index or indices specified in the applicable Issue Terms and related expressions shall be construed accordingly.

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

**“Index Substitution Criteria”** means that the main characteristics of the Substitute Index are equivalent to the Affected Index which characteristics may include, without limitation, its strategy, its currency, the periodicity of its computation and publication, its level, the category(ies) and listing or quotation on and exchange or quotation system of its underlying assets, the geographical and economic sectors reflected and its management procedures (dates of rebalancing), all as determined by the Calculation Agent in its sole and absolute discretion or, in the case of Exempt Notes, such other criteria as specified in the applicable Pricing Supplement.

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

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

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

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

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

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

- (i) where the relevant Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index,
  - (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
    - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
      - (x) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or
      - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
    - (B) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of the relevant Index on any relevant Exchange(s), or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

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

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

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

- (ii) where the relevant Index is specified in the applicable Issue Terms as being a Multi-Exchange Index either:
  - (a) the occurrence or existence, in respect of any Component Security, of:
    - (x) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
    - (y) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
    - (z) an Early Closure; and
  - (b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or
  - (c) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption or (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure.

As used above:

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

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

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

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

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

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

- (i) where the W&C Securities relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for the Index shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day

and (ii) the Calculation Agent, shall, where practicable in the case of Exempt W&C Securities, determine the Reference Level in the manner set out in the applicable Pricing Supplement, or if not set out or not so practicable or in the case of Non-Exempt W&C Securities, determine the Reference Level by using the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance (and subject to Conditions 29.02, 29.03 and 29.07) with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 30.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

- (ii) where the W&C Securities relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable in the case of Exempt W&C Securities, determine the Reference Level in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt W&C Securities, determine the Reference Level by using the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 30.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

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

“**Reference Level**” means, unless in the case of an Exempt W&C Security otherwise specified in the applicable Pricing Supplement, in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the W&C Securities are specified in the applicable Issue Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Settlement Currency) equal to the Specified Level of the Index on the relevant date (or if a Valuation Time is specified in the applicable Issue Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject as provided in this Condition 29; and

- (ii) where the W&C Securities are specified in the applicable Issue Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the Specified Level of each Index on the relevant date, (or if a Valuation Time is specified in the applicable Issue Terms, the level of each Index determined by the Calculation Agent at such Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject as provided in this Condition 29, multiplied by the relevant Weighting specified in the applicable Issue Terms.

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

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

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

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

**“Scheduled Trading Day”** means:

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

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

**“Specified Level”** the Closing Level or the Intraday Level, as specified in the applicable Issue Terms.

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

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

- (i) where the W&C Securities relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (A) the eighth Scheduled Trading Day for the Index shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall, where practicable in the case of Exempt W&C Securities, determine the Reference Level in the manner set out in the applicable Pricing Supplement, or, if not so set out or not so practicable or in the case of Non-Exempt W&C Securities, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day (as defined in Condition 30.05 in relation to such security) using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (ii) where the W&C Securities relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an **“Affected Index”**) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall where practicable in the case of Exempt W&C Securities, determine the Reference Level in the manner set out in the applicable Pricing Supplement or, if not set out or if not so practicable or in the case of Non-Exempt W&C Securities, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 30.05 in relation to such security) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

**“Valuation Time”** means:



- (i) where the Index is not specified in the applicable Issue Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;
- (ii) where the Index is specified in the applicable Issue Terms as being a Multi-Exchange Index, the Valuation Time specified in the applicable Issue Terms or, if no Valuation Time is specified, (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange in respect of such Component Security and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (i) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (iii) where the Specified Level is the Intraday Level, each relevant time at which the Reference Level is determined.

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

### **30. Equity Linked W&C Securities**

**30.01** If the W&C Securities are specified as Equity Linked W&C Securities in the applicable Issue Terms, the provisions of this Condition 30 shall apply.

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

- 30.02** (i) If Potential Adjustment Events are specified as applicable in the applicable Issue Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so, the Issuer in its sole and absolute discretion shall either:
- (A) (1) require the Calculation Agent to make the corresponding adjustment, if any, to any one or more of the terms of these Terms and Conditions and/or the applicable Issue Terms, in each case, as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity

relative to the relevant Equity) and (2) determine the effective date of that adjustment; or

- (B) on giving notice to the Holders in accordance with Condition 10, cancel or redeem all, but not some only, of the W&C Securities, and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the relevant event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (C) if the applicable Issue Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Potential Adjustment Event, the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Potential Adjustment Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 30.02(i)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon making an adjustment pursuant to Condition 30.02(i)(A), the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the adjustment made to the terms of these Conditions and/or the applicable Issue Terms and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such adjustment.

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

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any terms of these Terms and Conditions and/or the applicable Issue Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
- (B) where the Equity Linked W&C Securities relate to a Basket of Equities on giving notice to the Holders in accordance with Condition 10 cancel or redeem each W&C Security in part. If a W&C Security is so cancelled or redeemed in part the portion (the “**Partial Amount**”) of each such W&C Security representing the affected Equity(s) shall be cancelled and the Issuer will (x) pay to each Holder in respect of each W&C Security or Unit, as the case may be, held by it an amount equal to the fair market value of the Partial Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (y) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Terms and Conditions and/or the applicable Issue Terms to account for such redemption or cancellation in part. For the avoidance of doubt the remaining part of each such W&C Security after redemption or cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (C) on giving notice to the Holders in accordance with Condition 10, cancel all, but not some only, of the W&C Securities, and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the relevant event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.
- (D) if the applicable Issue Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-listing (as the case may be), the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Merger

Event, Tender Offer, Nationalisation, Insolvency or De-listing and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 30.02(ii) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

- (iii) If Additional Disruption Events are specified as applicable in the applicable Issue Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:
  - (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of these Terms and Conditions and/or the applicable Issue Terms, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (B) give notice to the Holders in accordance with Condition 10 and cancel all, but not some only, of the W&C Securities, and pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the relevant Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
  - (C) if the applicable Issue Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Additional Disruption Event, the Calculation Agent may select one or more equities (each a

**“Substitute Equity”**) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an **“Affected Equity”**) which are affected by such Additional Disruption Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equity, a “Equity Issuer” for the purposes of the W&C Securities, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Issue Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action to be taken.

(iv) Non-Euro Quoted Equities

In respect of Equity Linked W&C Securities relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Issue Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the terms of these Terms and Conditions and/or the applicable Issue Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the W&C Securities. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the relevant Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time. No adjustments under this Condition 30.02(iv) will affect the currency denomination of any payment obligation arising out of the W&C Securities.

(v) Correction of the Prices or Levels of an Equity

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

***Partial Lookthrough Depositary Receipt Provisions***

**30.03** Where the applicable Issue Terms specify that the “Partial Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 30.03 shall apply, and, in relation to such Equity, the other provisions of this Condition 30 shall be deemed to be amended and modified as set out in this Condition 30.03.

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

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer or Underlying Equity Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

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

If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the W&C Securities

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

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the cancellation of the W&C Securities, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall cancel all but not some only of the W&C Securities, and pay any amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

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

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

If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein,

the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs selected by it in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Issue Terms. In such case, the Issuer shall not cancel the W&C Securities and, following such replacement, references to Equities therein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

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

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

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

For the avoidance of doubt, where a provision is amended pursuant to this Condition 30.03 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

#### ***Full Lookthrough Depositary Receipt Provisions***

**30.04** Where the applicable Issue Terms specify that the “**Full Lookthrough Depositary Receipt Provisions**” shall apply to an Equity, then the provisions set out in this Condition 30.04 shall apply, and, in relation to such Equity, the other provisions of this Condition 30 shall be deemed to be amended and modified as set out in this Condition 30.04.

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

“Potential Adjustment Event” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities of (i) such Equities and/or Underlying Equities, (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a



spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer or Underlying Equity Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

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

If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred and constitutes a Potential Adjustment Event in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the W&C Securities;

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of the terms of these Terms and Conditions and/or the relevant Issue Terms as the Calculation Agent determines appropriate to account for (x) in

respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (y) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the W&C Securities, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) following the Potential Adjustment Event. The Calculation Agent shall (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Holders that the relevant consequence shall be the cancellation of the W&C Securities, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall cancel all but not some only of the W&C Securities, and pay any amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it, which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

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

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

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

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

Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

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

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

The definitions of “**Market Disruption Event**” and “**Related Exchange**” shall be amended in accordance with the DR Amendment. For the avoidance of doubt, where a provision is amended pursuant to this Condition 30.04 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

### **30.05 Definitions applicable to Equity Linked W&C Securities**

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing in each case specified in the applicable Issue Terms or, in the case of an Exempt W&C Security, any other Additional Disruption Event specified in the applicable Pricing Supplement.

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

- (i) if ‘Omission’ is specified in the applicable Issue Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Issue Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Certificates; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Issue Terms, then:
  - (A) where the W&C Securities relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading

Day for the Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or

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

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

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

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

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

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

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

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

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

**“DR Amendment”** means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Issue Terms and Market Disruption Event, that the following changes shall be made to such definition or provision where provided for in Condition 30: (a) all references to “Equities” shall be deleted and replaced with the words “Equities and/or the Underlying Equities”; and (b) all references to “Equity Issuer” shall be deleted and replaced with the words “Equity Issuer or Underlying Equity Issuer, as appropriate”.

**“DR Substitution Criteria”** means:

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

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

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

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

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

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

**“Equity Substitution Criteria”** means:

- (a)
  - (i) where the W&C Securities relate to a Basket of Equities, the Substitute Equity shall be an equity which is not already comprised in the Basket of Equities or assets;
  - (ii) the relevant issuer of the Substitute Equity belongs to the same broad economic sector as the Issuer of the Affected Equity;
  - (iii) the Substitute Equity shall be of an issuer that is of a similar international standing, market capitalisation, exposure and creditworthiness as the Issuer of the Affected Equity, on the date immediately prior to the relevant Equity becoming an Affected Equity, ignoring for this purpose the occurrence of the relevant Potential Adjustment Event, Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing or Additional Disruption Event; and
  - (iv) the Substitute Equity shall be of the same geographical zone as the Issuer of the Affected Equities,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
  - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (x) relating to the Equity on the Exchange; or
    - (y) in futures or options contracts relating to the Equity on any relevant Related Exchange; or
  - (B) any event (other than as described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions, in or obtain market values for, the Equities on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Equity on any relevant Related Exchange,

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

- (ii) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (iii) in the case of an Exempt W&C Security, any other event specified in the applicable Pricing Supplement.

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

**“Merger Event”** means, in respect of any relevant Equities, any (i) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification



or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is (a) in the case of Cash Settled W&C Securities, on or before the last occurring Valuation Date or Observation Date, as the case may be, or where Averaging is specified in the applicable Issue Terms, the final Averaging Date in respect of the relevant W&C Security, or, (b) if the W&C Securities are to be redeemed by Physical Delivery, the relevant Settlement Date or Redemption Date, as the case may be.

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

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

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

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

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

“**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Equities of (i) such Equities or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Equities, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and

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

**“Reference Price”** means, unless in the case of an Exempt W&C Security otherwise specified in the applicable Pricing Supplement, in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the W&C Securities relate to a single Equity, an amount equal to the Specified Price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the price of the Equity at the Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 30. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the W&C Securities relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the Specified Price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the price of the Equity at the Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 30, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

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

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

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

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

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

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

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

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

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

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

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

**“Underlying Equity Issuer”** means the issuer of the Underlying Equities.

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

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

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

“**Valuation Time**” means:

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

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

### **31. Fund Linked W&C Securities**

If the W&C Securities are specified as Fund Linked W&C Securities in the applicable Issue Terms, the provisions of Condition 32 shall apply if the fund(s) are not ETFs (as defined in Condition 33.08) and the provisions of Condition 33 shall apply if the fund(s) are ETFs. If the W&C Securities are Non-Exempt W&C Securities which are Cash Settled W&C Securities the Funds may only be ETFs.

## **32. Provisions relating to Funds other than Exchange Traded Funds**

*This Condition applies to Exempt W&C Securities and Non-Exempt W&C Securities which are Physical Delivery W&C Securities only*

### **Consequences of Fund Events**

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

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

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

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

**“Increased Cost of Hedging”** means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain,

unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked W&C Securities, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or the Hedging Entity shall not be deemed an Increased Cost of Hedging.

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

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

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

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

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

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

(C) Fund Insolvency Event: **“Fund Insolvency Event”** means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or

official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

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



- (E) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;
- (F) Fund Modification: “**Fund Modification**” means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (G) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (H) Regulatory Action: “**Regulatory Action**” means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;
- (I) Reporting Disruption: “**Reporting Disruption**” means (x) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case

may be or any other Reporting Disruption Period specified in the applicable Issue Terms; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;

- (J) Fund Service Provider Cessation: “**Fund Service Provider Cessation**” means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (K) Fund Administrator Disruption: “**Fund Administrator Disruption**” means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (L) Related Agreement Termination: “**Related Agreement Termination**” means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

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

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Terms and Conditions and/or the applicable Issue Terms as it determines in its sole and absolute discretion appropriate to account for the Fund Event, which may include, without limitation:
  - (a) delaying any calculation, determination or related payment date under the W&C Securities until it determines that no Fund Event exists;

- (b) calculating the value of the relevant Fund Interest(s) and/or replacing the relevant Fund Interest(s) (the “**Affected Fund Interest**”) with one or more replacement fund interests (each a “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) on giving notice to the Holders in accordance with Condition 10, cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or Unit, as the case may be, taking into account the Fund Event, less the cost to Hedging Entity of unwinding any underlying related hedging arrangements), plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion.

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

Upon the occurrence of a Fund Event, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 10 giving details of the action proposed to be taken in relation thereto, provided that any failure to give, or non-receipt of, such notice will not affect the validity of such action.

## **Fund Potential Adjustment Events**

**32.03 “Fund Potential Adjustment Event”** means any of the following:

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

or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or

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

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

Upon the making of any such adjustment by the Calculation Agent, the Issuer shall give notice as soon as reasonably practicable to the Holders in accordance with Condition 10, stating the adjustment to any of the terms of the Terms and Conditions, and/or the applicable Issue Terms and giving brief details of the Fund Potential Adjustment Event, provided that any failure to give, or non receipt of, such notice will not affect the validity of any such adjustment.

**32.05** Definitions (Funds other than Exchange Traded Funds)

**“Averaging Date”** means, in respect of an Actual Exercise Date or Redemption Date, as the case may be, each date specified as an Averaging Date in the applicable Issue Terms.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**“Scheduled Fund Redemption Valuation Date”** means the date as of which a Fund (or its Fund Service Provider that generally determine such value) is scheduled, according to the relevant Fund Documents (without giving effect to any gating,

deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the related Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

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

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

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

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

### **33. Provisions relating to Exchange Traded Funds**

#### **Market Disruption**

**33.01 “Market Disruption Event”** means, in respect of a Fund Share:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
  - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (A) relating to the relevant Fund Share on such Exchange; or
    - (B) relating to securities that comprise 20 percent. or more of the level of the relevant Underlying Index or any relevant successor index; or
    - (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or
  - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to (A) effect transactions in, or obtain market values for, the Fund Shares on the Exchange, (B) effect transactions in, or obtain market values for securities that comprise 20 percent. or more of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for,

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

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

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

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

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Disrupted Day.

#### **Potential Adjustment Event**

**33.03** “Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Fund Shares (unless resulting in a Merger Event or Tender Offer), or a free distribution or dividend of any such Fund Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Shares of (A) such Fund Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the ETF equally or proportionately with such payments to holders of such Fund Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the ETF as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;

- (v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

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

Upon the making of any such adjustment, the Calculation Agent shall as soon as is reasonably practicable under the circumstances give notice to the Holders in accordance with Condition 10 stating the adjustment made and giving brief details of the Potential Adjustment Event, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

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

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

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



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

**“Material Underlying Event”** means any of the following:

- (i) the investment objectives and/or policies in respect of the ETF are materially changed;
- (ii) an illegality occurs or a relevant authorisation or licence is revoked in respect of the ETF and/or the ETF is required by a competent authority (other than any holder of the Fund Shares) to redeem any Fund Shares;
- (iii) there is a change in any relevant jurisdiction in respect of any payments made by the ETF in respect of any Fund Share as a result of which the amounts paid or to be paid by the Hedging Entity in connection with hedging arrangements relating to the W&C Securities are materially reduced or otherwise adversely affected; and/or
- (iv) any other event occurs in relation to the ETF and/or the Fund Shares which is materially prejudicial to the Issuer in connection with the issue of the W&C Securities or to the Hedging Entity in connection with any hedging arrangements relating to the W&C Securities,

as determined by the Calculation Agent.

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

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

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

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

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

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

- (i) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Terms and Conditions and/or the applicable Issue Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange; or
- (ii) cancel the W&C Securities by giving notice to Holders in accordance with Condition 10. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security, or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security, or Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, as the case may be, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

### 33.06 Correction of the Reference Price

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

### Additional Disruption Events

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

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

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

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

“**Insolvency Filing**” means that the ETF institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or

insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the ETF shall not be deemed an Insolvency Filing.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
  - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the other Terms and Conditions and/or the applicable Issue Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) give notice to the Holders in accordance with Condition 10 and cancel the W&C Securities. If the W&C Securities are so cancelled the Issuer will pay an amount to each Holder in respect of each W&C Security or Unit, as the case may be, held by it which amount shall be the fair market value of a W&C Security or a Unit, as the case may be, taking into account the Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus (in the case of Warrants), if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

### **33.08 Definitions (Exchange Traded Funds)**

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

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

fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked W&C Securities; or

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

accordance with sub paragraph (iii)(B)(x) or (y), as applicable of the definition of “Valuation Date” below; and

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

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

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

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

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

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

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

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

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

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

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

- (i) where the W&C Securities relate to a single Fund Share, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day for such Fund Share shall be deemed to

be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable in the case of Exempt W&C Securities, determine the Reference Price in the manner set out in the applicable Pricing Supplement or, if not set out or not so practicable or in the case of Non-Exempt W&C Securities, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

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

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

“**Reference Price**” means, unless in the case of an Exempt W&C Security otherwise specified in the applicable Pricing Supplement, in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the W&C Securities relate to a single Fund Share, an amount equal to the Specified Price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the value of the Fund Share as at the Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 33. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the W&C Securities relate to a Basket of Fund Shares, an amount equal to the sum of the values calculated for each Fund Share as the Specified Price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such Specified Price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Issue Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the value of the Fund Share at the Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 33, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Issue Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

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

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

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

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



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

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

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

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

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

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

that case, (A) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for each Fund Share (notwithstanding the fact that such day is a Disrupted Day in respect of one or more Fund Shares (each an “**Affected Fund Share**”)); and (B) the Calculation Agent shall determine the Reference Price using (x) in relation to each Fund Share other than an Affected Fund Share, its price as provided in paragraph (ii) of the definition of Reference Price; and (y) in relation to each Affected Fund Share, its price as determined, in the case of Exempt W&C Securities, in the manner set out in the applicable Pricing Supplement, or if not set out or if not practicable or in the case of Non-Exempt W&C Securities, as its good faith estimate of the value of the Affected Fund Share as of the Valuation Time on that eighth Scheduled Trading Day.

“**Valuation Time**” means:

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

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

#### **34. Commodity Linked W&C Securities**

If the W&C Securities are specified as Commodity Linked W&C Securities in the applicable Issue Terms, then the provisions of this Condition 34 shall apply.

##### **34.01 Market Disruption Event and Disruption Fallback**

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

- (a) Market Disruption Event

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

- (i) with respect to all Commodities:
  - (A) Price Source Disruption;
  - (B) Commodity Trading Disruption;
  - (C) Disappearance of Commodity Reference Price; and

- (D) in the case of an Exempt W&C Security, any additional Market Disruption Events specified in the applicable Pricing Supplement; and
- (ii) with respect to all Commodities other than gold, silver, platinum or palladium:
  - (A) Material Change in Formula;
  - (B) Material Change in Content; and
  - (C) in the case of an Exempt W&C Security, any additional Market Disruption Events specified in the applicable Pricing Supplement; and
- (iii) with respect to a Commodity Index:
  - (A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price (provided that the Calculation Agent may, in its sole and absolute discretion, determine that such failure shall not be a Market Disruption Event and (i) shall fall within paragraph (i) of the proviso to the definition of Price Source in Condition 34.06, or (ii) shall be an Index Adjustment Event in respect of such Commodity Index) or (y) the closing price for any futures contract included in the Commodity Index;
  - (B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or
  - (C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.
- (iv) Disruption Fallback

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

- (A) with respect to a relevant Commodity (in the following order):
  - I. Fallback Reference Price (if applicable);
  - II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject

to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days; and

III. Calculation Agent Determination;

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

(a) using:

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

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

(b) in the case of an Exempt W&C Security, as specified in the applicable Pricing Supplement.

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

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

**34.02 Adjustments to a Commodity Index**

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

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

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

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

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as “**Index Adjustment Events**”) (provided that the Calculation Agent may, in its sole and absolute discretion, determine that event (iii) shall not be an Index Adjustment Event but (y) shall fall within paragraph (i) of the proviso to the definition of Price Source specified in Condition 34.06, or (z) shall be a Market Disruption Event in respect of such Commodity Index) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

**34.03 Correction to Published Prices**

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

**34.04 Common Pricing**

If with respect to Commodity Linked W&C Securities relating to a Basket of Commodities, “Common Pricing” is specified in the applicable Issue Terms as:

- (i) “Applicable” then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced, as determined on the Trade Date of the Securities; or
- (ii) “Not Applicable” then, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any relevant Commodity and/or Commodity Index (each an “**Affected Commodity**”), the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its

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

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

#### **34.05 Commodity Reference Prices**

Subject to this Condition 34, for purposes of determining the Relevant Price for a Commodity or Commodity Index:

##### **Agricultural products:**

##### **(a) Cocoa**

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

##### **(b) Coffee**

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

##### **(c) Corn**

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

##### **(d) Cotton**

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

##### **(e) Livestock**

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

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

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

**(f) Soybeans**

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

**(g) Sugar**

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

**(h) Wheat**

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

**Oil and Energy**

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

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

**(b) Oil (WTI)**

**"OIL-WTI-NYMEX"** means that the price for a Pricing Date will be that day's Specified Price per barrel of deliverable grade West Texas Intermediate light sweet crude oil on NYMEX of the First Nearby Month WTI Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

**(c) Oil (Brent)**

**"OIL-BRENT-IPE"** means that the price for a Pricing Date will be that day's Specified Price per metric barrel of deliverable grade Brent blend crude oil on ICE of the First Nearby Month Brent Futures Contract stated in U.S. Dollars as made public by ICE and displayed on the relevant Price Source on that Pricing Date.

**(d) Gasoline**

**"GASOLINE-RBOB-NYMEX"** means that the price for a Pricing Date will be that day's Specified Price per gallon of deliverable grade New York Harbor unleaded gasoline on the NYMEX of the First Nearby month Gasoline Futures Contract stated in U.S. Dollars as made public by the NYMEX and displayed on the relevant Price Source on that Pricing Date.

**Precious Metals:**

**(a) Gold**

**"GOLD-P.M. FIX"** means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on the relevant Price Source on that Pricing Date.

**(b) Platinum**

**"PLATINUM-P.M. FIX"** means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of LPPM authorized to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

**(c) Silver**

**"SILVER-FIX"** means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on the relevant Price Source on that Pricing Date.

**(d) Palladium**

**"PALLADIUM-P.M. FIX"** means that the price for a Pricing Date will be that day's afternoon Palladium fixing price per troy ounce gross of Palladium for delivery in Zurich through a member of the LPPM authorised to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

**Base Metals**



**(a) Aluminium**

**"ALUMINIUM-LME CASH"** means that the price for a Pricing Date will be that day's Specified Price per tonne of High Grade Primary Aluminium on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

**(b) Copper**

**"COPPER-LME CASH"** means that the price for a Pricing Date will be that day's Specified Price per tonne of Copper Grade A on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

**(c) Lead**

**"LEAD-LME CASH"** means that the price for a Pricing Date will be that day's Specified Price per tonne of Standard Lead on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

**(d) Nickel**

**"NICKEL-LME CASH"** means that the price for a Pricing Date will be that day's Specified Price per tonne of Primary Nickel on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

**(e) Zinc**

**"ZINC-LME CASH"** means that the price for a Pricing Date will be that day's Specified Price per tonne of Special High Grade Zinc on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

**34.06 Definitions**

**"Basket of Commodities"** means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Issue Terms.

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

**"Calculation Agent Determination"** means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

**"CBOT"** means the Chicago Board of Trade or its successor.

**"CME"** means the Chicago Mercantile Exchange or its successor.

**“COMEX”** means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

**“Commodity”** and **“Commodities”** means subject to adjustment in accordance with these Conditions, in the case of an issue of Commodity Linked W&C Securities relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked W&C Securities relating to a single commodity, the commodity, in each case specified in the applicable Issue Terms and related expressions shall be construed accordingly.

**“Commodity Business Day”** means, in respect of each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such relevant Exchange closing prior to its scheduled closing time.

**“Commodity Index”** means, subject to adjustment in accordance with these Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Issue Terms.

**“Commodity Index Cut-Off Date”** means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) the date specified in the applicable Issue Terms, or if not so specified, the day falling two Business Days immediately preceding the date of payment, of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided in the applicable Issue Terms).

**“Commodity Reference Price”** means (i) in respect of all Commodities, the Commodity Reference Price specified in the applicable Issue Terms and (ii) in respect of a Commodity Index, the Commodity Reference Price specified in the applicable Issue Terms, or if not so specified, the official closing price or level of such Commodity Index.

**“Commodity Trading Disruption”** means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

**“Delayed Publication or Announcement”** means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Issue Terms will apply.

**“Delivery Date”** means the date specified in the applicable Issue Terms.

**“Disappearance of Commodity Reference Price”** means:

- (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;
- (ii) the disappearance of, or of trading in, the Commodity; or

- (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

**“Exchange”** means in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Issue Terms or Commodity Reference Price.

**“Fallback Reference Price”** means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Issue Terms and not subject to a Market Disruption Event.

**“First Notice Date”** means, in respect of a Futures Contract, the first date after which a party to the contract may be required to deliver or take possession of, as applicable, the specified amount of the underlying commodity in respect of such Futures Contract as determined by the relevant Exchange.

**“Futures Contract”** means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

**“Gold”** means gold bars or unallocated gold complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

**“ICE”** means the Intercontinental Exchange, or its successor.

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

**“LBMA”** means The London Bullion Market Association or its successor.

**“LME”** means The London Metal Exchange Limited or its successor.

**“London Gold Market”** means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Gold.

**“London Silver Market”** means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver.

**“LPPM”** means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

**“Material Change in Content”** means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

**“Material Change in Formula”** means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

**“MMBTU”**, **“MMBtu”** and **“mmbtu”** each means one million British thermal units.

**“Nearby Month”** when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) **“First Nearby Month”** means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) **“Second Nearby Month”** means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

**“NYBOT”** means the New York Board of Trade or its successor.

**“NYMEX”** means NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

**“Palladium”** means palladium ingots or plate or unallocated palladium complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

**“Platinum”** means platinum ingots or plate or unallocated platinum complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

**“Postponement”** means that the Pricing Date will be deemed, for purposes of the application of the definition of Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of Disruption Fallback above will apply.

**“Price Source”** means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Issue Terms (provided that in respect of a Commodity Index, if the relevant Commodity Reference Price is not published on such Price Source, the Calculation Agent may, in its sole and absolute discretion, (i) use a successor page or publication or alternative source as it considers appropriate, (ii) determine that such non-publication is a Market Disruption Event in respect of such Commodity Index, or (iii) determine that such non-publication is an Index Adjustment Event in respect of the Commodity Index).

**“Price Source Disruption”** means:

- (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price); or
- (b) the temporary or permanent discontinuance or unavailability of the Price Source.

For these purposes:

- (a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:

- (i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
  - (ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing price, settlement price or afternoon fixing price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

**“Pricing Date”** has the meaning given it in the applicable Issue Terms.

**“Relevant Price”** means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price or level of the Commodity Index, determined with respect to that day and where, Intraday Price is specified as applicable in the applicable Issue Terms, at any time thereon for the specified Commodity Reference Price calculated as provided in these Conditions and, in the case of an Exempt W&C Security, the applicable Pricing Supplement.

**“Reuters”** means Reuters or its successor.

**“Reuters Screen”** means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

**“Silver”** means silver bars or unallocated silver complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

**“Specified Price”** means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable Issue Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Issue Terms.

### **35. Currency Linked W&C Securities**

If the W&C Securities are specified as Currency Linked W&C Securities in the applicable Issue Terms then the provisions of this Condition 35 shall apply.

#### **35.01 Definitions applicable to Currency Linked W&C Securities**

**“Averaging Date”** means each date specified as an Averaging Date in the applicable Issue Terms.

**“Currency Price”** means, in relation to each W&C Security or, in the case of Exercisable Certificates or Warrants, if Units are specified in the applicable Issue Terms, each Unit, as the case may be, in the case of an Exempt W&C Security, the Currency Price specified in the applicable Pricing Supplement, or if not so specified in the applicable Pricing Supplement or in the case of a Non-Exempt W&C Security:

- (i) in the case of Currency Linked W&C Securities relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Issue Terms, the Valuation Date or (B) if Averaging is specified in the applicable Issue Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and
- (ii) in the case of Currency Linked W&C Securities relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Issue Terms, the Valuation Date or (B) if Averaging is specified in the applicable Issue Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

**“FX Business Day”** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Issue Terms.

**“FX Disrupted Day”** means any FX Business Day on which a FX Market Disruption Event occurs.

**“FX Market Disruption Event”** means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, any FX Trading Suspension or Limitation and/or any Inconvertibility Event, in each case if specified in the applicable Issue Terms, and/or, in the case of an Exempt W&C Security, any other event specified as applicable in the applicable Pricing Supplement.

**“FX Price Source(s)”** means, in respect of a Subject Currency, the price source(s) specified in the applicable Issue Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

**“FX Price Source Disruption”** means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

**“FX Trading Suspension or Limitation”** means the suspension of and/or limitation of trading in the currencies required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

**“Inconvertibility Event”** means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Base Currency into the Subject Currency); and
- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

**“Interbank Market”** means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m. Sydney time on a Monday in any week to and including 5.00 p.m. New York time on the Friday of such week.

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

**“Specified Financial Centre(s)”** means the financial centre(s) specified in the applicable Issue Terms.

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

**“Valuation Cut-Off Date”** means the Valuation Cut-Off Date specified in the applicable Issue Terms.

**“Valuation Date”** means each date specified as such in the applicable Issue Terms or if that is not FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

- (i) where the Currency Linked W&C Securities relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall, in the case of Exempt W&C Securities, determine the relevant price in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable or in the case of Non-Exempt W&C Securities, determine the relevant price in accordance with its good faith

estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or

- (ii) where the Currency Linked W&C Securities relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an **"Affected Subject Currency"**) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall, in the case of Exempt W&C Securities determine the relevant price using, in relation to the Affected Subject Currency, a price determined in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable or in the case of Non-Exempt W&C Securities, using its good faith estimate of the price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

**"Valuation Time"** means:

- (i) the Valuation Time specified in the applicable Issue Terms; or
- (ii) if Intraday Price is specified as applicable in the applicable Issue Terms, each relevant time at which the Currency Price is determined.

### **36. Additional Payouts Condition**

The following condition (the **"Payout Condition"**), subject to completion in the applicable Final Terms, relates to the payouts in respect of certain W&C Securities as specified below. In particular, certain sections of the Payout Condition will be completed in the applicable Final Terms. Depending upon the relevant Reference Item, the provisions of Condition 29 (Index Linked W&C Securities), Condition 30 (Equity Linked W&C Securities), Condition 21.05 (Physical Settlement) or Condition 25.01 (Redemption – Redeemable Certificates), Condition 31 (Fund Linked W&C Securities) and Condition 33 (Provisions relating to Exchange Traded Funds), Condition 34 (Commodity Linked W&C Securities) or Condition 35 (Currency Linked W&C Securities), as applicable, will apply to the W&C Securities, in each case as amended as set out in this Payout Condition. In the event of any inconsistency between any other provisions of the Terms and Conditions of the W&C Securities and this Payout Condition, this Payout Condition shall prevail. In the event of any inconsistency between (i) other provisions of the Terms and Conditions of the W&C Securities and/or this Payout Condition and (ii) the Final Terms, the Final Terms shall prevail.

#### **36.01 Cash Settlement Amount**

If the W&C Securities are Non-Exempt W&C Securities which are Cash Settled W&C Securities, the provisions of this Condition 36.01 will apply and:

**"Cash Settlement Amount"** means an amount (which may never be less than zero) calculated by the Calculation Agent equal to:



- (a) if Capital Barrier Event is specified as applicable in the applicable Final Terms:
- (i) if a Capital Barrier Event has occurred:
  - (w) if Cash Settlement Amount 1 is specified in the applicable Final Terms:
 

Min ([Calculation Amount x Relevant Reference Performance in respect of the Relevant Monitoring Date, Cap];
  - (x) if Cash Settlement Amount 2 is specified in the applicable Final Terms:
 

[Calculation Amount x (Relevant Reference Performance in respect of the Relevant Monitoring Date / Capital Barrier Level);
  - (y) if Cash Settlement Amount 3 is specified in the applicable Final Terms:
 

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or
  - (z) if Cash Settlement Amount 4 is specified in the applicable Final Terms:
 

Calculation Amount x (X1% + [X% x Max (Floor, K1% - Relevant Reference Performance in respect of the Relevant Monitoring Date)]);
- (ii) if a Capital Barrier Event has not occurred:
  - (x) if Cash Settlement Amount 7 is specified in the applicable Final Terms:
 

Calculation Amount x Z%; or
  - (y) otherwise:
    - (A) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is below 100%:
      - (1) if Cash Settlement Amount 3 is specified in the applicable Final Terms:
 

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or
      - (2) if Cash Settlement Amount 4 is specified in the applicable Final Terms:

Calculation Amount x (X1% + [X% x Max (Floor, K1% – Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or

- (B) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is equal to or greater than 100%:

- (1) if Cash Settlement Amount 3 is specified in the applicable Final Terms:

Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]);

- (2) if Cash Settlement Amount 4 is specified in the applicable Final Terms:

Calculation Amount x (X1% + [X% x Max (Floor, K1% - Relevant Reference Performance in respect of the Relevant Monitoring Date)]);

- (3) if Cash Settlement Amount 5 is specified in the applicable Final Terms:

Calculation Amount x (P% + [Y% x Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date))]); or

- (4) if Cash Settlement Amount 6 is specified in the applicable Final Terms:

Calculation Amount x (X2% + [Y% x Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date – K2%))]);

- (b) if Put Strike Event is specified as applicable in the applicable Final Terms:

- (i) if a Put Strike Event has occurred:

Calculation Amount x (Relevant Reference Performance in respect of the Relevant Monitoring Date / Put Strike Level); or

- (ii) if a Put Strike Event has not occurred:

- (x) if Cash Settlement Amount 7 is specified in the applicable Final Terms:

Calculation Amount x Z%; or

- (y) otherwise:

- (A) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is below 100%:

- (1) if Cash Settlement Amount 3 is specified in the applicable Final Terms:  
  
Calculation Amount x (P% + [X% x Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or
  - (2) if Cash Settlement Amount 4 is specified in the applicable Final Terms:  
  
Calculation Amount x (X1% + [X% x Max (Floor, K1% – Relevant Reference Performance in respect of the Relevant Monitoring Date)]); or
- (B) if the Relevant Reference Performance in respect of the Relevant Monitoring Date is equal to or greater than 100%:
  - (1) if Cash Settlement Amount 5 is specified in the applicable Final Terms:  
  
Calculation Amount x (P% + [Y% x Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date))]); or
  - (2) if Cash Settlement Amount 6 is specified in the applicable Final Terms:  
  
Calculation Amount x (X2% + [Y% x Min (Cap, Max (Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date – K2%))]);
- (c) if the W&C Securities are specified in the applicable Final Terms as Final Settlement Call W&C Securities:
  - (i) where Averaging is not specified in the applicable Final Terms:  
  
(Settlement Price less, in the case of a Warrant, the Exercise Price) multiplied by the Multiplier; or
  - (ii) where Averaging is specified in the applicable Final Terms:  
  
(the arithmetic mean of the Settlement Prices for all the Averaging Dates less, in the case of a Warrant, the Exercise Price) multiplied by the Multiplier;
- (d) if the W&C Securities are specified in the applicable Final Terms as Final Settlement Put W&C Securities:
  - (i) where Averaging is not specified in the applicable Final Terms:  
  
(Exercise Price less Settlement Price) multiplied by the Multiplier; or
  - (ii) where Averaging is specified in the applicable Final Terms:

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by the Multiplier;

- (e) if the W&C Securities are specified in the applicable Final Terms as Interest Rate Linked Warrants:

(Settlement Price less Exercise Price) x Notional Amount per Warrant x Interest Rate Day Count Fraction;

- (f) if the W&C Securities are specified in the applicable Final Terms as Mini-Future Short W&C Securities:

(Calculation Amount x Max [Floor, Relevant Reference Performance in respect of the Relevant Monitoring Date]) / FX Rate in respect of such day;

- (g) if the W&C Securities are specified in the applicable Final Terms as IndiCap W&C Securities:

$$\text{Calculation Amount} \times \max \left( a \left( \sum_{i=1}^n W_i * \max(F_i; \min(Cap_i; A_i)) \right) - K; \text{Floor} \right);$$

- (h) if the W&C Securities are specified in the applicable Final Terms as Himalayan W&C Securities:

Calculation Amount x max (F, min (C, α (R-K))); or

- (i) if the W&C Securities are not specified in the applicable Final Terms as Final Settlement Call W&C Securities, Final Settlement Put W&C Securities, or Interest Rate Linked Warrants, Mini-Future Short W&C Securities, IndiCap W&C Securities or Himalayan W&C Securities and neither Capital Barrier Event nor Put Strike Event is specified as applicable in the applicable Final Terms:

Calculation Amount x (100% + X%).

### **36.02 Non-Exempt Trigger Early Exercise W&C Securities and Non-Exempt Trigger Early Redemption W&C Securities**

- (a) If the W&C Securities are Non-Exempt W&C Securities which are Warrants or Exercisable Certificates and Condition 21.07 (Trigger Early Exercise) is specified in the applicable Final Terms, the provisions of this Condition 36.02(a) will apply and:

- (i) **"Trigger Early Exercise Event"** means Trigger Early Event 1 or Trigger Early Event 2, as specified in the applicable Final Terms; and

- (ii) if Trigger Early Exercise Cash Settlement is specified as applicable in the applicable Final Terms:

- (x) if Trigger Early Event 2 applies, the relevant Trigger Early Exercise Cash Settlement Amount is an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

(Calculation Amount x Max [Floor, Relevant Reference Performance at such time as the Calculation Agent determines in its sole and

absolute discretion within the First Number of Hours of the occurrence of the Trigger Early Exercise Event on the Relevant Monitoring Date related to the Trigger Event Date or at the determination of the Calculation Agent in its sole and absolute discretion, unless the relevant Reference Item is a Currency, if the Trigger Closing occurs before expiry of such First Number of Hours, such time as the Calculation Agent determines in its sole and absolute discretion within the Second Number of Hours of the Trigger Opening on the next Relevant Monitoring Date]) / FX Rate in respect of the relevant day; or

(y) otherwise, the relevant Trigger Early Exercise Cash Settlement Amount is as specified in the applicable Final Terms.

(b) If the W&C Securities are Non-Exempt W&C Securities which are Redeemable Certificates and Condition 25.03 (Trigger Early Redemption) is specified in the applicable Final Terms, the provisions of this Condition 36.02(b) will apply and:

(i) **"Trigger Early Redemption Event"** means Trigger Early Event 1 or Trigger Early Event 2, as specified in the applicable Final Terms; and

(ii) if Trigger Early Redemption Cash Settlement is specified as applicable in the applicable Final Terms:

(x) if Trigger Early Event 2 applies, the relevant Trigger Early Redemption Cash Settlement Amount is an amount (which may never be less than zero) calculated by the Calculation Agent equal to:

(Calculation Amount x Max [Floor, Relevant Reference Performance at such time as the Calculation Agent determines in its sole and absolute discretion within the First Number of Hours of the occurrence of the Trigger Early Redemption Event on the Relevant Monitoring Date related to the Trigger Event Date or at the determination of the Calculation Agent in its sole and absolute discretion, unless the relevant Reference Item is a Currency, if the Trigger Closing occurs before expiry of such First Number of Hours, such time as the Calculation Agent determines in its sole and absolute discretion within the Second Number of Hours of the Trigger Opening on the next Relevant Monitoring Date]) / FX Rate in respect of the relevant day; or

(y) otherwise, the relevant Trigger Early Redemption Cash Settlement Amount is as specified in the applicable Final Terms.

### **36.03 Physical Delivery Payout**

If the W&C Securities are Non-Exempt W&C Securities which are Physical Delivery W&C Securities, the provisions of this Condition 36.03 will apply and:

**"Entitlement"** means:

(Calculation Amount / Initial Valuation) / FX Rate.

**"Settlement Business Day"** means any day on which the Entitlement Clearing System is (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions.

### 37. Additional Definitions relating to the Payout Condition

" $\alpha$ " means:

- (a) if Call Option is specified as applicable in the applicable Final Terms, 1; or
- (b) if Put Option is specified as applicable in the applicable Final Terms, -1.

" $A_i$ " means:

$$\frac{1}{\sum_{t=1}^T c(i,t)} \left( \sum_{t=1}^T c(i,t) * \max(LFi; \min(LCi; Si(t))) \right)$$

" $A_i^{(j)}$ " means, in respect of a Reference Item and an Observation Period, the weighted average of the Single Underlying Relevant Reference Performance in respect of such Reference Item and each Relevant Monitoring Date in the Observation Period, weighted by reference to the Weighting specified for such Relevant Monitoring Date or Observation Period, as the case may be, in the applicable Final Terms.

**"Basket Relevant Reference Performance"** means:

- (a) if Capital Barrier Event 3 or Trigger Early Event 2 applies, in respect of any time, the weighted average of the Single Underlying Relevant Reference Performance in respect of each Reference Item, such time and the Relevant Monitoring Date, weighted by reference to the Weighting specified for such Reference Item in the applicable Final Terms; or
- (b) otherwise, the weighted average of the Single Underlying Relevant Reference Performance in respect of each Reference Item and the Relevant Monitoring Date, weighted by reference to the Weighting specified for such Reference Item in the applicable Final Terms.

**"Best-of Basket Relevant Reference Performance"** means:

- (a) if Capital Barrier Event 3 or Trigger Early Event 2 applies, the Single Underlying Relevant Reference Performance in respect of the Best Performer, the relevant time and the Relevant Monitoring Date; or
- (b) otherwise, the Single Underlying Relevant Reference Performance in respect of the Best Performer and the Relevant Monitoring Date.

**"Best Performer"** means the Reference Item in respect of which the Single Underlying Relevant Reference Performance is, in the determination of the Calculation Agent, the largest positive number, provided that if the Single Underlying Relevant Reference Performance is the same number with respect to two or more Reference Items the Calculation Agent shall determine the Best Performer.

" $c$ " is as specified in the applicable Final Terms.

"**C**" is as specified in the applicable Final Terms.

"**Calculation Amount**" is as specified in the applicable Final Terms.

"**Cap**" is as specified in the applicable Final Terms.

"**Capital Barrier Event**" means Capital Barrier Event 1, Capital Barrier Event 2 or Capital Barrier Event 3, as specified in the applicable Final Terms.

"**Capital Barrier Event 1**" means the Relevant Reference Performance in respect of the Relevant Monitoring Date is:

- (a) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Capital Barrier Level; or
- (b) if Less than is specified as applicable in the applicable Final Terms, less than the Capital Barrier Level.

"**Capital Barrier Event 2**" means the Relevant Reference Performance in respect of any Relevant Monitoring Date is:

- (a) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Capital Barrier Level; or
- (b) if Less than is specified as applicable in the applicable Final Terms, less than the Capital Barrier Level.

"**Capital Barrier Event 3**" means the Relevant Reference Performance in respect of any time and a Relevant Monitoring Date is:

- (a) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Capital Barrier Level; or
- (b) if Less than is specified as applicable in the applicable Final Terms, less than the Capital Barrier Level.

"**Capital Barrier Level**" is as specified in the applicable Final Terms.

"**Cash Settlement Period**" is as defined in Condition 3.

"**Entitlement Clearing System**" is as specified in the applicable Final Terms.

"**Exchange Rate**" is as specified in the applicable Final Terms.

"**Exercise Price**" is as defined in Condition 3.

"**F**" is as specified in the applicable Final Terms.

"**First Number of Hours**" is as specified in the applicable Final Terms.

"**First Outperformance Reference Item**" is as specified in the applicable Final Terms.

"**Floor**" is as specified in the applicable Final Terms.

"**FX Rate**" means:

- (a) if the W&C Securities are specified in the applicable Final Terms as Mini-Future Short W&C Securities and/or Trigger Early Event 2 applies, in respect of a Relevant Monitoring Date, the Trigger FX Currency/Settlement Currency spot rate of exchange appearing on the Trigger FX Price Source (or any Trigger FX Price Source Successor) at the Trigger FX Valuation Time on such Relevant Monitoring Date (expressed as the number of units (or part units) of the Trigger FX Currency for which one unit of the Settlement Currency can be exchanged) or, if such rate does not so appear on the Trigger FX Price Source (or any Trigger FX Price Source Successor as aforesaid), the rate determined by the Calculation Agent in its sole and absolute discretion from such source(s) and at such time(s) as it determines appropriate, or
- (b)
  - (i) if FX Rate is specified as applicable in the applicable Final Terms, the Exchange Rate in respect of the last occurring Monitoring Date; or
  - (ii) if FX Rate is not specified as applicable in the applicable Final Terms, one.

"i" means a Reference Item.

**"Initial Monitoring Date"** means each date specified as such in the applicable Final Terms.

**"Initial Valuation"** is:

- (a) the level or price specified in the applicable Final Terms; or
- (b) if not so specified, Initial Valuation 1, Initial Valuation 2, Initial Valuation 3 or Initial Valuation 4, as specified in the applicable Final Terms.

**"Initial Valuation 1"** means:

- (a) if Capital Barrier Event 3 applies, the Reference Item Level in respect of a Reference Item, the relevant time and the Relevant Initial Monitoring Date; or
- (b) otherwise, the Reference Item Level in respect of a Reference Item and the Relevant Initial Monitoring Date.

**"Initial Valuation 2"** means:

- (a) if Capital Barrier Event 3 applies, the arithmetic average of the Reference Item Levels in respect of a Reference Item, the relevant time and the Initial Monitoring Dates in respect of the Relevant Monitoring Date; or
- (b) otherwise, the arithmetic average of the Reference Item Levels in respect of a Reference Item and the Initial Monitoring Dates in respect of the Relevant Monitoring Date.

**"Initial Valuation 3"** means:

- (a) if Capital Barrier Event 3 applies, the highest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date; or
- (b) otherwise, the highest of the Reference Item Levels in respect of a Reference Item and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date.



**"Initial Valuation 4"** means:

- (a) if Capital Barrier Event 3 applies, the lowest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date; or
- (b) otherwise, the lowest of the Reference Item Levels in respect of a Reference Item and the Initial Monitoring Dates in respect of the Relevant Initial Monitoring Date.

**"Interest Rate Day Count Fraction"** is as defined in Condition 3.

**"J"** means an Observation Period.

**" $k_i$ "** means the Initial Valuation in respect of a Reference Item.

**"K"** is as specified in the applicable Final Terms.

**"K1%"** is as specified in the applicable Final Terms.

**"K2%"** is as specified in the applicable Final Terms.

**"LC"** is as specified in the applicable Final Terms.

**"LF"** is as specified in the applicable Final Terms.

**" $LR^{(J)}$ "** means:

$$\min(LC^{\mathcal{O}}, \max(LF^{\mathcal{O}}, P^{\mathcal{O}}))$$

**"M"** means the number of Observation Periods.

**"Monitoring Date"** means each date specified as such in the applicable Final Terms.

**"Multiplier"** is as defined in Condition 3.

**"n"** means the number of Reference Items.

**"nth"** means the number specified as such in the applicable Final Terms.

**"Outperformance Relevant Reference Performance"** means:

- (a) if Capital Barrier Event 3 or Trigger Early Event 2 applies, an amount equal to (a) the Specified Outperformance Relevant Reference Performance in respect of the First Outperformance Reference Item, the relevant time and the Relevant Monitoring Date minus (b) the Specified Outperformance Relevant Reference Performance in respect of the Second Outperformance Reference Item, the relevant time and the Relevant Monitoring Date; or
- (b) otherwise, an amount equal to (a) the Specified Outperformance Relevant Reference Performance in respect of the First Outperformance Reference Item and the Relevant Monitoring Date minus (b) the Specified Outperformance Relevant Reference Performance in respect of the Second Outperformance Reference Item and the Relevant Monitoring Date.

**"P%"** is as specified in the applicable Final Terms.

" $P_i^{(J)}$ " means:

$$(A_i^{(J)} / k_i) - 1.$$

" $P_0^{(J)}$ " means:

$$\frac{1}{n} \sum_{i=1}^n P_i^{(J)}$$

" $P^{(J)}$ " means:

- (a) If Ranked Performance is specified in the applicable Final Terms,  $P_i^{(J)}$  in respect of the Ranked Reference Item; or
- (b) If Average Performance is specified in the applicable Final Terms,  $P_0^{(J)}$ .

**"Put Strike Event"** means the Relevant Reference Performance in respect of any Relevant Monitoring Date is less than the Put Strike Level.

**"Put Strike Level"** is as specified in the applicable Final Terms.

" $R$ " means:

- (a) if Average Return is specified as applicable in the applicable Final Terms:

$$\frac{1}{M} \sum_{J=1}^M LR^{(J)}$$

- (b) if Summed Return is specified as applicable in the applicable Final Terms:

$$\sum_{J=1}^M LR^{(J)} ; \text{ or}$$

- (c) if Compounded Return is specified as applicable in the applicable Final Terms:

$$\prod_{J=1}^M (1 + LR^{(J)}) - 1$$

**"Ranked Reference Item"** means the Reference Item in respect of which  $P_i^{(J)}$  is, in the determination of the Calculation Agent, ranked as the  $n$ th number (for which purposes the largest positive  $P_i^{(J)}$  (or, if none, the smallest negative  $P_i^{(J)}$ ) will be ranked as the first number), provided that if  $P_i^{(J)}$  is the same number with respect to two or more Reference Items the Calculation Agent shall determine the Ranked Reference Item.

**"Ranked Relevant Reference Performance"** means:

- (a) if Capital Barrier Event 3 or Trigger Early Event 2 applies, the weighted average of the Single Underlying Relevant Reference Performances in respect of each Reference Item, the relevant time and the Relevant Monitoring Date, weighted by reference to the Ranked Weighting which will be allocated to such Reference Item on the basis of the ranking of the relevant Single Underlying Relevant Reference Performance; or
- (b) otherwise, the weighted average of the Single Underlying Relevant Reference Performances in respect of each Reference Item and the Relevant Monitoring Date,

weighted by reference to the Ranked Weighting which will be allocated to such Reference Item on the basis of the ranking of the relevant Single Underlying Relevant Reference Performance.

**"Ranked Weighting"** is as specified in the applicable Final Terms.

**"Reference Item Level"** means the Settlement Price assuming for such purposes that the W&C Securities relate to a single Reference Item.

**"Relevant Initial Monitoring Date"** means each Initial Monitoring Date specified as such in the applicable Final Terms.

**"Relevant Monitoring Date"** means each Monitoring Date specified as such in the applicable Final Terms.

**"Relevant Reference Performance"** means Single Underlying Relevant Reference Performance, Basket Relevant Reference Performance, Best-of Basket Relevant Reference Performance, Outperformance Relevant Reference Performance, Ranked Relevant Reference Performance or Worst-of Basket Relevant Reference Performance, as specified in the applicable Final Terms.

**"Relevant Valuation"** means Relevant Valuation 1, Relevant Valuation 2, Relevant Valuation 3 or Relevant Valuation 4, as specified in the applicable Final Terms.

**"Relevant Valuation 1"** means:

- (a) for the purposes of Capital Barrier Event 3 or Trigger Early Event 2, the Reference Item Level in respect of a Reference Item, the relevant time and the Relevant Monitoring Date; or
- (b) otherwise, the Reference Item Level in respect of a Reference Item and the Relevant Monitoring Date.

**"Relevant Valuation 2"** means:

- (a) for the purposes of Capital Barrier Event 3, the arithmetic average of the Reference Item Levels in respect of a Reference Item, the relevant time and the Monitoring Dates in respect of the Relevant Monitoring Date; or
- (b) otherwise, the arithmetic average of the Reference Item Levels in respect of a Reference Item and the Monitoring Dates in respect of the Relevant Monitoring Date.

**"Relevant Valuation 3"** means:

- (a) for the purposes of Capital Barrier Event 3, the highest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Monitoring Dates in respect of the Relevant Monitoring Date; or
- (b) otherwise, the highest of the Reference Item Levels in respect of a Reference Item and the Monitoring Dates in respect of the Relevant Monitoring Date.

**"Relevant Valuation 4"** means:

- (a) for the purposes of Capital Barrier Event 3, the lowest of the Reference Item Levels in respect of a Reference Item, the relevant time and the Monitoring Dates in respect of the Relevant Monitoring Date; or
- (b) otherwise, the lowest of the Reference Item Levels in respect of a Reference Item and the Monitoring Dates in respect of the Relevant Monitoring Date.

"S" means Single Underlying Relevant Reference Performance in respect of the Relevant Monitoring Date.

"Second Number of Hours" is as specified in the applicable Final Terms.

"Second Outperformance Reference Item" is as specified in the applicable Final Terms.

"Settlement Price" is as defined in Condition 3.

"Single Underlying Relevant Reference Performance" means:

- (a) for the purposes of a Capital Barrier Event or Put Strike Event:
  - (i) if Capital Barrier Event 3 applies:
    - (x) if Final – Initial Level is specified as applicable in the applicable Final Terms:
 

Relevant Valuation in respect of the relevant time and the Relevant Monitoring Date / Initial Valuation, if applicable, in respect of the relevant time and the Relevant Initial Monitoring Date; or
    - (y) otherwise:
 

Relevant Valuation in respect of the relevant time and the Relevant Monitoring Date; or
  - (ii) if Capital Barrier Event 3 does not apply:
    - (x) if Final – Initial Level is specified as applicable in the applicable Final Terms:
 

Relevant Valuation in respect of the Relevant Monitoring Date / Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date; or
    - (y) otherwise:
 

Relevant Valuation in respect of the Relevant Monitoring Date;
- (b) if the W&C Securities are specified in the applicable Final Terms as Mini-Future Short W&C Securities and/or Trigger Early Event 2 applies:
  - (i) for the purposes of determining Trigger Early Event 2 and the Trigger Early Exercise Cash Settlement Amount or Trigger Early Redemption Cash Settlement Amount, as applicable:

Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date - Relevant Valuation in respect of the relevant time and the Relevant Monitoring Date; or

- (ii) for the purposes of determining the Cash Settlement Amount:

Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date – Relevant Valuation in respect of the Relevant Monitoring Date; or

- (c) if the W&C Securities are specified in the applicable Final Terms as Himalayan W&C Securities:

Relevant Valuation in respect of the Relevant Monitoring Date; or

- (d) for other purposes:

Relevant Valuation in respect of the Relevant Monitoring Date / Initial Valuation, if applicable, in respect of the Relevant Initial Monitoring Date.

**"Specified Outperformance Relevant Reference Performance"** means Basket Relevant Reference Performance, Best-of Basket Relevant Reference Performance, Ranked Relevant Reference Performance, Single Underlying Relevant Reference Performance or Worst-of Basket Relevant Reference Performance, as specified in the applicable Final Terms.

**"t"** means a Relevant Monitoring Date.

**"T"** means the number of Relevant Monitoring Dates.

**"Trigger Barrier Level"** is as specified in the applicable Final Terms.

**"Trigger Closing"** means:

- (a) where the Reference Item is an Index:
- (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, the actual closing time for the Exchange's regular trading session; or
  - (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;
- (b) where the Reference Item is an Equity or an ETF Fund Share, the actual closing time for the Exchange's regular trading session; or
- (c) where the Reference Item is a Commodity, the actual closing time for the regular trading session of the market or exchange determined by the Calculation Agent to be relevant for trading in such Commodity (which, for the avoidance of doubt, may be the Exchange),

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

**"Trigger Early Event 1"** means the Relevant Reference Performance in respect of a Relevant Monitoring Date is:

- (a) if Lower Trigger Barrier is specified as applicable in the applicable Final Terms:
  - (i) if Equal to or Greater than is specified as applicable in the applicable Final Terms, equal to or greater than the Trigger Barrier Level; or
  - (ii) if Greater than is specified as applicable in the applicable Final Terms, greater than the Trigger Barrier Level; and/or
- (b) if Upper Trigger Barrier is specified as applicable in the applicable Final Terms:
  - (i) if Equal to or Less than is specified as applicable in the applicable Final Terms, equal to or less than the Trigger Barrier Level; or
  - (ii) if Less than is specified as applicable in the applicable Final Terms, less than the Trigger Barrier Level.

**"Trigger Early Event 2"** means the Relevant Reference Performance in respect of any time and a Relevant Monitoring Date in the Trigger Event Period (the **"Trigger Event Date"**) is greater than the Trigger Barrier Level.

**"Trigger Event Period"** is as specified in the applicable Final Terms.

**"Trigger FX Currency"** is as specified in the applicable Final Terms.

**"Trigger FX Price Source"** is as specified in the applicable Final Terms.

**"Trigger FX Price Source Successor"** means:

- (a) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the previous Trigger FX Price Source; or
- (b) if the sponsor has not officially designated a successor display page, other published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

**"Trigger FX Valuation Time"** is as specified in the applicable Final Terms.

**"Trigger Opening"** means:

- (a) where the Reference Item is an Index:
  - (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, the actual opening time for the Exchange's regular trading session; or
  - (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, the latest actual opening time for the regular trading session of all the exchanges determined by the Calculation Agent to be relevant for trading in the Component Securities;
- (b) where the Reference Item is an Equity or an ETF Fund Share, the actual opening time for the Exchange's regular trading session; or

- (c) where the Reference Item is a Commodity, the actual opening time for the regular trading session of the market or exchange determined by the Calculation Agent to be relevant for trading in such Commodity (which, for the avoidance of doubt, may be the Exchange),

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

**"Weighting"** or **"w"** is as specified in the applicable Final Terms.

**"Worst-of Basket Relevant Reference Performance"** means:

- (a) if Capital Barrier Event 3 or Trigger Early Event 2 applies, the Single Underlying Relevant Reference Performance in respect of the Worst Performer, the relevant time and the Relevant Monitoring Date; or
- (b) otherwise, the Single Underlying Relevant Reference Performance in respect of the Worst Performer and the Relevant Monitoring Date.

**"Worst Performer"** means the Reference Item in respect of which the Single Underlying Relevant Reference Performance is, in the determination of the Calculation Agent, the smallest positive number, provided that if the Single Underlying Relevant Reference Performance is the same number with respect to two or more Reference Items the Calculation Agent shall determine the Worst Performer.

**"X%"** is as specified in the applicable Final Terms.

**"X1%"** is as specified in the applicable Final Terms.

**"X2%"** is as specified in the applicable Final Terms.

**"Y%"** is as specified in the applicable Final Terms.

**"Z"** is as specified in the applicable Final Terms.