

BASE PROSPECTUS



INVESTEC BANK plc

(incorporated with limited liability in England and Wales with registered number 489604)

£4,000,000,000 Zebra Capital Plans Retail Structured Products Programme

Under this £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme (the "**Programme**"), Investec Bank plc (the "**Issuer**") may from time to time issue notes (the "**Notes**") that are linked to the performance of one or more Preference Shares (as defined herein) issued by Zebra Capital II Limited, a company incorporated in the Cayman Islands. The Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer form, certificated registered form or uncertificated registered form (respectively "**Bearer Notes**", "**Registered Notes**" and "**Uncertificated Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement, as defined and described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to the Dealer specified below and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to Notes issued under the Programme during the period of twelve months after the date hereof. Applications have been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"), which is a regulated market for the purpose of Directive 2004/39/EC. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these see "**Risk Factors**".

Any person (an "**Investor**") intending to acquire or acquiring any securities from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000, (the "**FSMA**") the Issuer may be responsible to the Investor for the Prospectus under section 90 of the FSMA only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public and, if so, the name of such person. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should seek legal advice. **When information relating to the relevant offer requested pursuant to the Prospectus Directive is not contained in this Base Prospectus or the relevant Final Terms, it will be the responsibility of the relevant Offeror at the time of such offer to provide the Investor with such information.**

The Issuer has been assigned the following long-term credit ratings: BBB- by Fitch Ratings Limited ("**Fitch**"), Baa3 by Moody's Investor Service Limited ("**Moody's**") and BBB+ by Global Credit Rating Co. ("**Global Credit Rating**"). Each of Fitch and Moody's is a credit rating agency established and operating in the European Union ("**EU**") and registered in accordance with Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Global Credit Rating is not established in the EU and is not certified under the CRA Regulation and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

In addition, each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Issuer generally. Any credit ratings assigned to a Tranche of Notes will be specified in the applicable Final Terms. Whether or not each credit rating in relation to relevant Tranche of Notes will be (1) issued by a credit rating agency which is established in the EU and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EU but endorsed by a CRA which is established in the EU and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EU but which is certified under the CRA Regulation, or (4) issued by a credit rating agency which is not established in the EU and which is not certified under the CRA Regulation and whose rating of the Tranche of Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation, will be disclosed in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in final terms (the "**Final Terms**").

The Issuer may agree with the Dealer and Deutsche Trustee Company Limited (the "**Trustee**") that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to this Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Investec Bank plc

Dealer

The date of this Base Prospectus is 13 June 2012.

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 the Prospectus Directive.

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

The information in the section of this Base Prospectus entitled "*Description of the Preference Shares*" has been accurately reproduced from information available from the issuer of the Preference Shares. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available from such source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Neither the Dealers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Dealers nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Dealers or the Trustee.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Prospective investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

Where information relating to the terms of any offer of Notes that is required pursuant to the Prospectus Directive is not contained in this Base Prospectus, any supplement hereto or the applicable Final Terms, it will be the responsibility of the relevant Offeror at the time of such offer to make such information available to the Investor.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and include Notes in bearer form for U.S. tax purposes that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in a jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States and the European Economic Area (including the United Kingdom) see "*Subscription and Sale*".

This Base Prospectus has been prepared on the basis that, except to the extent subparagraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to

its use for the purposes of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purposes of this paragraph only, the expression "*Prospectus Directive*" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and the expression "*2010 PD Amending Directive*" means Directive 2010/73/EU.

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in this Base Prospectus.

All references herein to "Sterling" and "£" are to the lawful currency of the United Kingdom, all references herein to "euro" and "€" are to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time by the Treaty on European Union and all references herein to "U.S.\$" and "U.S. dollars" are to United States dollars.

This Base Prospectus may only be used for the purposes for which it has been published.

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SUMMARY

This summary is an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of this summary, including any translation thereof, unless this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this description.

Issuer: Investec Bank plc.

The Issuer was a private limited company with limited liability incorporated on 20 December 1950 under the Companies Act 1948 and registered in England and Wales under registered number 00489604 with the name Edward Bates & Sons Limited. It changed its name on 24 October 1977 to Allied Arab Bank Limited. On 1 September 1989, it changed its name to Allied Trust Bank Limited, and again changed its name to Investec Bank (UK) Limited on 6 January 1997. On 23 January 2009, it re-registered under the Companies Act 1985 as a public limited company and is now incorporated under the name Investec Bank plc. The Issuer is the main banking subsidiary of Investec plc, which is part of an international banking group with operations in three principal markets: the United Kingdom, Australia and South Africa.

As at 31 March 2011, the Issuer had total assets of GBP18,488,534,000 (GBP16,980,726,000 as at 31 March 2010). For the year ended 31 March 2011, the Issuer had GBP725,488,000 operating profit on total operating income before impairment losses and loans and advances of GBP170,554,000 (GBP 550,344,000 of operating profit on total operating income before impairment losses and loans and advances of GBP 133,186,000 for the year ended 31 March 2010).

The principal business units of the Issuer include Wealth & Investment and Specialist Banking. For more information on the Issuer, see the Registration Document which is incorporated by reference into this Base Prospectus.

Risk Factors: Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed in the sections headed "*Risk Factors*" on pages 4 to 16 of the Registration Document and pages 7 to 29 below and include the following:

Factors affecting the Issuer's ability to meet its obligations. The Issuer's financial performance is subject to, among other things, inherent risks concerning borrower credit quality, general UK and global economic conditions, general market fluctuations and operational risks.

Risks associated with Notes issued under the Programme. The Notes are complex financial instruments and are not suitable for all investors. In particular, an investment in the Notes involves a number of specific risks including fluctuations in the value of the relevant Class or Classes of Preferences Shares (each a "**Reference Asset**"), the value of each of which depends on the value or level of the underlying share, basket of shares, index or basket of indices to which it is linked (the "**Underlying**") as well as certain early redemption events, including events in respect of the Underlying and disruptions of the hedging operations of the Issuer and/or its affiliates in respect of the Notes. In addition, the Notes may also be linked to one or more Reference Assets, each of which is linked to the credit or solvency of a specified Reference Entity (e.g., a bank, a corporation or a government) ("**Credit Linked Share Notes**"), and if such Reference Entity were to go bankrupt or become insolvent, the Notes may pay out considerably less than par or nothing. Due to the formula through which the return on the Notes is linked to the value of the Reference Asset and the formula through which the redemption price of the Reference Asset is linked to the value or level of the Underlying, a change in the value or level of the Underlying may not in all circumstances correlate with a similar change in value of the Notes.

Risks related to the market generally. Investors should be aware that the Notes may have no established secondary market when issued and one may never develop.

The value of Fixed Rate Notes may be adversely affected by changes in market interest rates.

Investors with financial activities denominated principally in a currency other than the Specified Currency will be exposed to exchange rate risks.

Any credit rating assigned to the Notes by independent credit rating agencies may not reflect the potential risks related to the Notes. Potential investors should ensure that they have the legal capacity to invest in the Notes.

Description:	£4,000,000,000 Zebra Capital Plans Retail Structured Products Programme
Dealer:	Investec Bank plc, and any other Dealers appointed in accordance with the Programme Agreement.
Programme Size:	Up to £4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme

Agreement.

Trustee:	Deutsche Trustee Company Limited.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ").
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch.
Registrar:	In respect of Registered Notes only, Deutsche Bank Luxembourg S.A.
CREST Registrar:	In respect of Uncertificated Registered Notes only, Computershare Investor Services plc.
Custodian:	In respect of Secured Notes only, Deutsche Bank AG, London Branch.
Verification Agent:	In respect of Secured Notes only, Deutsche Bank AG, London Branch.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or a premium over, par.
Form of Notes:	<p>The applicable Final Terms will specify whether the relevant Notes will be issued in bearer form ("Bearer Notes"), in certificated registered form ("Registered Notes") or in uncertificated registered form ("Uncertificated Registered Notes") as described in "<i>Form of the Notes</i>". Registered Notes and Uncertificated Registered Notes will not be exchangeable for other forms of Notes and vice versa.</p> <p>Uncertificated Registered Notes will be held in uncertificated form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "Regulations"). The Uncertificated Registered Notes will be participating securities for the purposes of the Regulations. Title to the Uncertificated</p>

Registered Notes will be recorded on the relevant Operator register of corporate securities (as defined in the Regulations) and the relevant "Operator" (as such term is used in the Regulations) is CRESTCo. Limited ("**CRESTCo**") or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar and in accordance with the Regulations. Notes in definitive registered form will not be issued either upon issue or in exchange for Uncertificated Registered Notes.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption. Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum and/or minimum interest rate.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Dual Currency Notes:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest (other than in the case of late payment).

Payments of Principal:

Payments of principal in respect of Notes will be calculated by

reference to the percentage change in value of one or more Preference Shares issued by Zebra Capital II Limited (or such other issuer specified in the applicable Final Terms) in respect of the relevant Series of Notes.

The redemption price of each Class of Preference Shares will be calculated by reference to a single share, a basket of shares, an index, a basket of indices or another variable, and, in addition, may be credit linked to a specified Reference Entity as set out in the applicable Final Terms. The terms of each Class of Preference Shares will be contained in the Memorandum and Articles of Association of the issuer thereof and the Preference Share Confirmation relating to such Class that will be appended to the applicable Final Terms. For more information on the Preference Shares, see "*Description of the Preference Shares*".

Redemption:

The applicable Final Terms will indicate that either the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default or, in the case of Notes linked to one or more Credit Linked Shares, following a Credit Event) or that the Relevant Portion of such Notes will be redeemable at the option of the Issuer in whole (but not in part) upon giving notice to the Noteholders on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" above.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 7 (*Taxation*). In the event that any such deduction is made, the Issuer will not, unless specified in the applicable Final Terms, be required to pay any additional amounts in respect of such withholding or deduction.

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and, unless the Final Terms specify that the Notes are Secured Notes, unsecured obligations of the Issuer that will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

Security:

In respect of Series of Secured Notes only, the Issuer will create security over a Collateral Pool to secure its obligations in respect

of the Secured Notes. Each Collateral Pool may secure one Series of Secured Notes only, or more than one Series of Secured Notes, as specified in the applicable Final Terms.

Listing and admission to trading:

This document has been approved by the FSA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Clearing Systems:

CRESTCo or Euroclear and/or Clearstream, Luxembourg or any other clearing system, in each case as may be specified in the applicable Final Terms.

Governing Law:

The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States and the European Economic Area (including the United Kingdom) and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

RISK FACTORS

Prospective investors in the Notes should read the entire Base Prospectus including all documents incorporated by reference herein and where appropriate the Final Terms.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.

The Issuer believes that the factors described below and the "Risk Factors" section on pages 4 to 16 of the Registration Document represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons, which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including the documents incorporated by reference) and reach their own views prior to making any investment decision.

Risks relating to the Issuer

Risks relating to the Issuer's ability to fulfil its obligations with respect to the Notes can be found on pages 4 to 16 of the Registration Document dated 13 June 2012 in the section headed "Risk Factors" which has been incorporated by reference on page 30 of this Base Prospectus.

Risks related to the structure of a particular issue of Notes

Notes may be subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Several factors may affect the redemption value of the Notes prior to maturity, including: (i) the trading price of the Note; (ii) the value of the Reference Asset (as defined below); (iii) the time remaining to the Maturity Date; (iv) the probable range of returns upon redemption; (v) the value and volatility of the Underlying (as defined below); (vi) any change in interim interest rates and dividend yields in respect of the Underlying or any component of the Underlying (if applicable); (vii) any change in currency exchange rates; (viii) the depth of the market or liquidity of the Underlying or any component of the Underlying (if applicable); and (ix) any related transaction costs. The relationship between these factors is complex.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Capital at Risk

The Reference Asset may or may not be capital protected. If the Reference Asset is not capital protected, there is no guarantee that the return on the Reference Asset upon its redemption will be greater than or equal to par. As the redemption amount of the Notes will be linked to the percentage change in value of the Reference Asset, any reduction in the redemption amount of the latter can be expected to result in a corresponding reduction in the redemption amount of

the Notes. Accordingly, it is possible that the return on Notes linked to such Reference Asset may be considerably less than the amount paid by investors for such Notes and may be zero.

Unlike a savings account or similar investment with a low return and little or no capital risk, the Notes may potentially have a greater return but there may be a greater risk of loss of capital. The investor should take advice from an investment professional before purchasing such types of Notes.

Risks related to Secured Notes

Collateral Pool may not be sufficient to meet all payments in respect of the Secured Notes

Under the terms of the Trust Deed, any net proceeds realised upon enforcement of the Security over a Collateral Pool will be applied in or towards satisfaction of the claims of, among others, the Trustee and any appointee and/or receiver appointed by the Trustee in respect of the relevant Secured Notes before the claims of the holders of the relevant Secured Notes and any related Receipts and Coupons. The Supplemental Trust Deed relating to any Collateral Pool may provide for an Independent Amount, in which case the Issuer will be required to post to the Collateral Pool at all times an additional amount equal to the Independent Amount. The Independent Amount is intended to address, in part, any claims that may rank ahead of the claims of the relevant Noteholders, Couponholders and Receiptholders. However, the periodic valuations of the Posted Collateral undertaken pursuant to the terms of the Trust Deed will not value or otherwise take into account any such prior ranking claims, and the Independent Amount, if any, will not be changed from time to time. To the extent that the amounts payable in respect of prior ranking claims exceed the Independent Amount (if any) applicable to that Collateral Pool, the net proceeds realised from that Collateral Pool may be insufficient to meet in full the claims of the relevant Noteholders, Couponholders and Receiptholders.

The Supplemental Trust Deed relating to any Collateral Pool may also provide for a Minimum Transfer Amount, in which case the Issuer will not be required to post additional collateral following a periodic valuation if the amount of additional collateral that needs to be posted is below the Minimum Transfer Amount. Accordingly, if the security in relation to such Collateral Pool were enforced, the net proceeds realised from the Collateral Pool may be less than it otherwise would have been had there been no Minimum Transfer Amount.

Furthermore, changes in the market value of the Posted Collateral arising after the date on which the Secured Notes become due and payable following an Event of Default may mean that the net proceeds realised upon enforcement of the security over a Collateral Pool are insufficient to meet in full the claims of the holders of the relevant Secured Notes and any related Receipts and Coupons.

Fixed charges may take effect under English law as floating charges

Pursuant to the terms of the Supplemental Trust Deed relating to any Collateral Pool, the Issuer will, among other things, purport to grant fixed charges in favour of the Trustee to be held for, *inter alios*, the holders of the Covered Series of Notes secured by such Collateral Pool. However, the law in England and Wales relating to the characterisation of fixed charges is not settled and the Issuer cannot exclude the possibility that the fixed charges purported to be granted by it may take effect under English law as floating charges only. If, contrary to the Issuer's intention, such fixed charges were to take effect as floating charges, then certain other claims may be satisfied out of the net proceeds realised upon enforcement of the security over such Collateral Pool ahead of the claims of the relevant Noteholders, Receiptholders and Couponholders such that the net proceeds may be insufficient to pay the relevant Noteholders, Receiptholders and Couponholders in full or in part.

In addition, if the Issuer were to go into administration pursuant to the provisions of the Insolvency Act (as amended by, *inter alia*, the Enterprise Act 2002), then the Trustee may not be able to enforce the Security for the duration of any moratorium or stay imposed in connection with the administration procedure. This may lead to delays in the enforcement of any Security and may, among other things, result in losses being incurred by Noteholders in relation to a Series of Secured Notes.

Collateral Pool may secure more than one Series of Secured Notes

A Collateral Pool may secure the Issuer's obligations with respect to more than one Series of Secured Notes and an Event of Default with respect to any one Series of Secured Notes secured by such Collateral Pool may trigger the early redemption of all other Related Covered Series that are secured by the same Collateral Pool in order for the security over the entire Collateral Pool to be enforced.

Withdrawal and substitution of Posted Collateral

Under the terms of the Trust Deed, the Valuation Agent will perform periodic valuations in relation to each Collateral Pool. If the Valuation Agent determines that the value of all Posted Collateral with respect to such Collateral Pool exceeds the sum of (a) the aggregate of the early redemption amounts that the Issuer would be required to pay to Noteholders in respect of each Covered Series secured by such Collateral Pool and (b) the Independent Amount (if any), the Issuer shall be entitled to request a return of the excess collateral amount. Any such request for the return of excess collateral is subject to (a) verification by the Verification Agent that based on the information and documents provided to it an excess collateral amount exists; and (b) approval by the Trustee. Under the terms of the Trust Deed, the Issuer may request a return of excess collateral (a) once per calendar month, provided that the excess collateral amount for such Valuation Date is equal to or greater than the Minimum Transfer Amount (if any); or (b) on any Valuation Date when the excess collateral amount for such Collateral Pool equals or exceeds £1,000,000.

In addition, the Issuer may in accordance with the terms of the Trust Deed request that certain items of Posted Collateral be substituted for other items of Eligible Collateral provided that certain conditions are met, including, among others, that the bid price of the new item of Eligible Collateral on the date of transfer is equal to or exceeds the bid price of the original item of Posted Collateral. Any such substitution request is subject to (a) verification by the Verification Agent that the new item of collateral is Eligible Collateral; and (b) approval by the Trustee. Neither the Verification Agent nor the Trustee is obliged to confirm that the bid price of the new item of Eligible Collateral is equal to or exceeds the bid price of the original item of Posted Collateral. Following any such substitution, the market value of the new item of Eligible Collateral may fall below the value of the original item of Posted Collateral, and the net proceeds realised upon enforcement of the relevant Collateral Pool may be less than if no such substitution had been made.

Custody arrangements

With respect to Posted Collateral in the form of cash, holders of the relevant Secured Notes and any related Receipts and Coupons are exposed to the risk that, if the Custodian becomes insolvent, such cash amounts will not be protected in the event Investec also becomes insolvent and the Security over the Posted Collateral needs to be enforced.

Furthermore, under the terms of the Agency Agreement, the Issuer has appointed Deutsche Bank AG, London Branch as its custodian to hold all Posted Collateral with respect to each Covered Series of Notes and the Custodian may appoint one or more sub-custodians to hold such Posted Collateral. The Issuer has no direct contractual relationship with the sub-

custodians, and the Custodian has not created security over its rights against the sub-custodians in favour of the Issuer. Accordingly, in the event that the Trustee enforces the security over any Collateral Pool, it will have no direct rights against any sub-custodian appointed by the Custodian, but will need to rely on the rights that it has with respect to the Custodian.

Valuation Agent conflicts of interest

With respect to each Collateral Pool, it is expected that Investec Bank plc in its capacity as Valuation Agent will be responsible for the periodic valuations of the Posted Collateral, which will determine, among other things, the amount of additional collateral (if any) the Issuer will need to post to secure its obligations with respect to the relevant Covered Series of Notes. Accordingly, certain conflicts of interest may arise between Investec Bank plc in its capacity as Valuation Agent and the Noteholders and holders of any related Receipts and Coupons.

Risks related to the Reference Asset and the Underlying

The Notes will have a principal return determined by reference to the value of the relevant Class or Classes of Preference Shares (each a "**Reference Asset**"). The value of each Reference Asset is in turn contingent upon the value or level of an underlying share, basket of shares, index or basket of indices (the "**Underlying**"). In addition, each Reference Asset may also be linked to the solvency of a specified Reference Entity, which is likely to be a bank, a corporation or a government.

The value of the Notes may be subject to fluctuation and the return on the Notes may be less than would be received by investing in a conventional debt instrument. Changes in value or level of the Underlying cannot be predicted. If so provided in the applicable Final Terms, the Notes may be subject to early redemption if the Reference Asset redeems early by reference to changes in the value or level of the Underlying. Accordingly, an investment in the Notes is speculative and entails substantial risks. The Notes are designed for investors who have sufficient experience, knowledge and sophistication, or who have access to a suitably qualified independent financial adviser or who have engaged a suitably qualified discretionary investment manager, in order to understand the characteristics and risks associated with structured financial products. Prospective Noteholders should understand that in some instances they could suffer a partial or complete loss of their investment subject, if applicable, to any minimum redemption amount specified in the applicable Final Terms.

Certain factors affecting Value of Notes

The value of the Notes prior to maturity depends on a number of factors including the performance achieved by the Reference Asset until that time, interest rates, volatility and time to maturity. The price at which a holder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the principal balance thereof, based upon one or more of the factors described below. The factors that will affect the trading value of the Notes interrelate in complex ways (for example, one factor may offset an increase in the trading value of the Notes caused by another factor). Factors that may impact the value of the Notes, assuming other conditions remain constant, include:

Value of the Underlying. The value of the Notes will be linked to the value of the Reference Asset and the value of the Reference Asset is in turn linked to the value or level of the Underlying. Accordingly, the value of the Notes, the redemption amount payable in respect of the Notes and the determination of whether the Notes will be redeemed prior to scheduled maturity will depend substantially on the value of the Reference Asset and the value or level of the Underlying. Fluctuations in the value or level of the Underlying may indirectly affect the value of the Notes as may expectations of fluctuation in value or level of the Underlying during

the remaining period to the Maturity Date or any earlier date for determining any price or value for the purposes of determining the basis for redemption of the Notes. Prospective investors in the Notes should recognise that it is impossible to predict whether the value or level of the Underlying will rise or fall. Political, economic and other developments that affect the Underlying may also affect the value of the Reference Asset and in turn the value of the Notes.

Calculation of the value of the Reference Asset. The value of the Reference Asset, and accordingly, the value of the Notes will be dependent not only on the performance of the Underlying, but also on how and when such performance is measured. The times, dates and methods used for determining when the level or price of the Underlying is measured may have a significant impact on the value of the Reference Asset and accordingly on the return on the Notes. For example, in the case of Notes whose redemption price is linked to the breach of a specified barrier, whether such determination is made as of the scheduled closing time of the Underlying or whether such breach is measured on a constant basis could lead to greatly divergent valuations of the Reference Asset and accordingly the return on the Notes. If the final level or price of the Underlying is calculated over a period of time, rather than on a single date, investors will be exposed to the performance of the Underlying on days other than the Maturity Date. If the level or price of the Underlying is calculated as of a specific date (rather than as an average of several dates), investors will have greater exposure to the volatility of the Underlying in respect of the calculation of such level or price.

Value of baskets. Where the Underlying is a basket of shares, an index or a basket of indices, the value or level of the Underlying (and accordingly the value of the Reference Asset) may be affected by the number of companies represented in such basket or index. Generally, the value of a basket of shares or an index that includes shares from a number of companies which gives relatively equal weight to the shares of each of such companies will be less affected by changes in the value of any particular shares included therein than a basket of shares or index that includes the shares of fewer companies or that gives greater weight to the shares of some of the companies included therein. In addition, if the shares included in a basket of shares or index are of companies in a particular industry sector, the value of such a basket or index will be more affected by the economic, financial and other factors affecting that industry sector than if the basket comprised shares of companies in various industry sectors that are affected by different economic, financial or other factors or are affected by such factors in different ways.

Dividend rates. The relationship between dividend rates and the price of an Underlying is complex. If the dividend rate on the Underlying or a component of the Underlying increases, the trading value of the Underlying and thus the value of the Reference Asset and in turn the value of the Notes would be expected to decrease. Increased dividend rates may, however, positively affect the value or level of the Underlying and in turn the value of the Reference Asset. As a result, the return on the Notes could in fact increase (or decrease by a lesser amount than it otherwise would have decreased). Likewise, if the dividend rate on the Underlying decreases, the value of the Reference Asset and in turn the value of the Notes would generally be expected to increase. Decreased dividend rates may, however, adversely affect the value or level of the Underlying and in turn the value of the Reference Asset. The value of the Notes could therefore in fact decrease (or increase by a lesser amount than it otherwise would have increased).

Similar public offerings. The trading price of the Notes may be adversely affected to the extent public offerings of securities similar to the Underlying (or a component thereof) are made in the United Kingdom or elsewhere. Investors should also consider factors affecting the economy of the country or countries in which the companies whose shares comprise the Underlying (or components thereof) conduct their operations.

Leverage. The Notes may have a leveraged exposure to the Underlying, in that the exposure of each Note (through the value of the related Reference Asset) to the Underlying may be greater

(or less) than the nominal amount of the Note. Positive leveraged exposure results in the effect of small price movements being magnified and may lead to proportionally greater losses in the value of the Reference Asset and in turn the value of and return on the Notes as compared to an unleveraged exposure. If market conditions change, the value of the Notes will be more volatile than if there was no leverage. In cases where the leverage factor employed is less than 100%, investors will have a reduced exposure to the performance of the Underlying and may receive lower returns than if their exposure to the Underlying was at 100%.

Non-linear relationship of Notes to Underlying. A change in the value or level of the Underlying may not result in a comparable or proportionate change in the value of the Reference Asset and, accordingly, in the price of the Notes due to, amongst other things, the use of leverage factors, caps, floors, thresholds and barriers or any combination of these features. If leverage factors, caps, floors, barrier amounts or thresholds are used in the formula for calculating the redemption price of the Reference Asset, Noteholders may forego returns or suffer losses that are relatively large or relatively small compared to a movement in the value or level of the Underlying. Investors should therefore fully understand how the value of the Notes is linked to the value of the Reference Asset, which in turn is linked to the price or level of the Underlying.

Interest rates. The value of the Notes may be affected by changes in interest rates. Depending on the Underlying and the formula for calculating the redemption price of the Reference Asset, changes in interest rates may increase or decrease the value of the Reference Asset and in turn the value of the Notes. Changes in interest rates may also affect the economy of a country in which the components of the Underlying are traded and thus indirectly affect the value of the Notes.

Currency fluctuations. Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Currency fluctuations may affect the value or level of the Underlying in complex ways. If such currency fluctuations cause the value or level of the Underlying to decrease, the value of the Reference Asset may be adversely affected and in turn the value of the Notes may fall. If the value or level of the Underlying and/or the Reference Asset is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates.

Volatility of the Underlying. If the size or frequency of market fluctuations in the value or level of the Underlying increases or decreases, the value of the Notes may be affected.

Path dependency. The return of the Notes may be dependent on the movements in the value or level of the Underlying over the term of the Notes. The Notes may have a return that is linked (through the value of the related Reference Asset) in whole or in part to the average value or level of the Underlying over the entire term of the Notes or over another specified period. Alternatively, the return on the Notes may (through the value of the related Reference Asset) be dependent on whether the level or price of the Underlying has breached a specified barrier on or prior to a specified date.

Time remaining to maturity. The Notes may trade at a value above that which would be expected based on interest rates and the value of the Reference Asset (which is dependent on the value or level of the Underlying). Any such difference will reflect a "time premium" resulting from expectations concerning the Underlying during the period prior to the stated maturity of the Notes. As the time remaining to the stated maturity of the Notes decreases, this time premium

may decrease, adversely affecting the value of the Reference Asset which in turn may adversely affect the value of the Notes.

Information

No investigation has been made regarding the company or companies whose shares comprise the Underlying. Prospective investors in the Notes should obtain and evaluate information concerning the Underlying or the components of the Underlying and the companies whose shares comprise the Underlying as they would if they were investing directly in the Underlying and/or the components of the Underlying. In addition, prospective investors should understand that the historical performance of the Underlying or any component of the Underlying is not predictive of future results. As no company whose shares comprise the Underlying has participated in the preparation of this Base Prospectus or any Final Terms, there can be no assurance that all events occurring prior to the relevant Issue Date of the Notes that would affect the level or price of such Underlying have been disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning any company whose shares comprise the Underlying could affect the trading price of the Notes.

Hedging

Prospective investors intending to acquire Notes to hedge against the market risk associated with investing in any securities or indices should recognise the complexities of utilising Notes in this manner. For instance, due to fluctuating supply and demand for the Notes, there is no assurance that their value will correlate with fluctuations in value or level of the Reference Asset and/or the Underlying. Furthermore, due to the formulae by which the return on the Notes is linked to the value of the Reference Asset and the redemption price of the Reference Asset is linked to the Underlying (which formula could, for example, provide for a participation factor in the performance of the Underlying in an amount other than 100%), any change in the value or level of the Underlying may not result in a similar change in value of the Notes.

No Ownership Rights

An investment in the Notes is not the same as an investment in the Reference Asset or the Underlying and does not confer any legal or beneficial interest in the Reference Asset or the Underlying or any component of the Underlying or any voting rights, rights to receive dividends or other rights that a holder of the Reference Asset or Underlying or any component of the Underlying would have. The Notes are unsubordinated and (other than Secured Notes) unsecured obligations of the Issuer. No security has been taken in respect of the Reference Asset, the Underlying, any component of the Underlying unless otherwise set out in the applicable Final Terms.

Actions or omissions of issuer of the Preference Share, issuer or sponsor of the Underlying or Reference Entity

In certain circumstances, the actions or omissions of the issuer of the Preference Share, the issuer or sponsor of any Underlying or (in the case of Credit Linked Share Notes) any Reference Entity, which are outside the control of the Issuer, may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions that may give rise to an adjustment to, or early redemption of, the Notes.

Hedging activities of the Issuer and affiliates

The Issuer and/or its affiliates may carry out hedging activities related to the Notes, including purchasing the Underlying, components of the Underlying and/or debt obligations of a Reference Entity, but will not be obliged to do so. Any of these activities could potentially affect the value or level of the Underlying and the debt obligations of the Reference Entity (as

applicable) and, accordingly, the value of the Reference Asset and in turn the value of the Notes. In addition, the disruption of such hedging arrangements or material increase in cost of such hedging arrangements may lead to an early redemption of the Relevant Portion of the Notes in whole (but not in part) as specified in the applicable Final Terms.

Conflicts of interest

The Issuer and/or its affiliates may also purchase and sell the Underlying, components of the Underlying and/or debt obligations of the Reference Entities on a regular basis as part of their securities businesses. Any of these activities could potentially affect the value or level of the Underlying and the debt obligations of such Reference Entities (as applicable) and, accordingly, the value of the Reference Asset(s) and in turn the value of the Notes.

The Issuer and/or its affiliates may from time to time advise the issuers of or obligors in respect of a Reference Asset, an Underlying or any component of an Underlying and/or any Reference Entity regarding transactions to be entered into by them, or engage in transactions involving any Reference Asset, Underlying and/or Reference Entity for their proprietary accounts and for other accounts under their management. Any such transactions may have a positive or negative effect on the value of such Reference Asset, the value or level of such Underlying and/or the value of such Reference Entity's debt obligations generally and therefore on the value of the Notes.

In addition, the Issuer may be the Calculation Agent responsible for making determinations and calculations in connection with the Notes and may also be the Preference Share Calculation Agent and the Valuation Agent in connection with the Reference Asset(s). Accordingly, certain conflicts of interest may arise between the interests of the Issuer and the interests of holders of Notes.

Index disclaimer

The Notes are not sponsored, endorsed, sold or promoted by any index to which they are indirectly linked or any sponsor of such index and such index sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of any index and/or the levels at which such index stands at any particular time on any particular date or otherwise. No index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in any index and an index sponsor is under no obligation to advise any person of any error within an index. An index sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by an index sponsor in connection with the calculation, adjustment or maintenance of an index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any index or index sponsor or any control over the computation, composition or dissemination of any index. Although the Issuer and the Calculation Agent will obtain information concerning an index to which the Notes are linked from publicly available sources they believe to be reliable, they will not independently verify this information.

Risks in relation to Preference Shares

Issuer of Preference Shares

The Reference Assets will be Preference Shares issued by Zebra Capital II Limited, a special purpose vehicle incorporated in the Cayman Islands, or such other issuer as may be specified in the applicable Final Terms.

No investigation has been made of the financial or other condition or creditworthiness of any issuer of any Preference Share. While the Notes are not directly exposed to the credit risk of the issuer of the Preference Share, investors in the Notes may be subject to certain operational risks of the issuer of the Preference Share to the extent they relate to the existence of, and calculation of the value in respect of, the Preference Share, as set out below.

Early redemption on automatic early redemption of Preference Shares

If the Preference Shares are redeemed pursuant to an Automatic Early Redemption Event as set out in the Preference Share Confirmation, the Notes will be redeemed in whole (but not in part) at their Final Redemption Amount, which amount will be linked to the value of the Preference Shares redeemed, which is expected to be the Automatic Early Redemption Amount of the Preference Shares, on the Automatic Early Redemption Date as set out in the relevant Preference Share Confirmation. Such amount may be less than Noteholders would have received if the Notes had not been redeemed early.

Early redemption on other early redemption of Preference Shares

On any early redemption of the Preference Shares, other than as a result of an Automatic Early Redemption Event, the Notes shall also be redeemed early.

The Preference Shares may be redeemed prior to their scheduled redemption date in certain circumstances including (i) upon the occurrence of one or more events in connection with the Underlying, including a Nationalisation, a Merger, a Tender Offer, a De-listing or an Insolvency (in each case as defined in the section below entitled "*Description of the Preference Shares*"); (ii) an event that causes the hedging by the Issuer and/or its affiliates in respect of their obligations under the Notes to become illegal or which disrupts or materially increases the cost of such hedging, as set out in the Articles of the issuer of the Preference Shares; and (iii) in the case of Notes linked to one or more Classes of Credit Linked Shares, following the giving of a Credit Event Notice.

In such cases, the Notes will be redeemed at their Final Redemption Amount, which amount will be linked to the value of the Preference Shares as determined by the Calculation Agent. Upon early redemption, the value of the Preference Shares (and thus the Final Redemption Amount of the Notes) will take into account any cost to the Issuer and/or any of its affiliates of amending or liquidating any financial instruments or transactions in respect of their hedging of their obligations in respect of the Notes. Such early redemption amount may be less than what the Noteholders would have received if the Notes were not redeemed early.

A new Regulation of the European Parliament and of the Council on derivative transactions, central counterparties and trade repositories is expected to enter into force at the end of 2012. This regulation is expected to, inter alia, introduce a mandatory requirement to centrally clear certain specified types of derivative transaction and mandate certain risk mitigation requirements in respect of non-cleared trades. If such regulation or any other applicable law is implemented and has the effect of materially increasing the costs to the Issuer and/or any of the Issuer's affiliates in respect of any hedging arrangements in respect of the Notes or the Issuer and/or any of the Issuer's affiliates is unable, after using commercially reasonable efforts, to make such arrangements in the opinion of the Preference Share Calculation Agent, then an early redemption of the Preference Shares may occur, which in turn will result in an early redemption of the Notes.

Early redemption on Preference Share Disruption Event

In addition, the Notes will be redeemed early if:

- (a) the issuer of the Preference Shares becomes insolvent or a liquidator or receiver is appointed in respect thereof; and/or
- (b) the rights attaching to the Preference Shares are varied such that they no longer reflect the economic intention of the Notes.

In such cases, the Notes will be redeemed in whole (but not in part) at their Final Redemption Amount, which amount will be linked to the value of the Preference Shares as determined by the Calculation Agent. In the case of such early redemption of the Notes, the value of the Preference Shares (and thus the Final Redemption Amount of the Notes) will take into account any cost to the Issuer and/or any of its affiliates of amending or liquidating any financial instruments or transactions in respect of their hedging of their obligations in respect of the Notes. Such early redemption amount may be less than what the Noteholders would have received if the Notes were not redeemed early.

Postponement of payment of Final Redemption Amount

In certain cases, including upon the occurrence of a market disruption event in respect of the Underlying or if the relevant exchange on which the Underlying is traded fails to open, dates on which the Underlying is valued may be postponed to a later date, as set out in the Articles of the issuer of the Preference Shares. In such cases, it is possible that the Final Redemption Date of the Preference Share may be delayed, in which case payment of the Final Redemption Amount on the Notes would also be postponed accordingly. No additional payments will be due to investors in the Notes on account of such delay, unless otherwise specified in the applicable Final Terms.

In addition, with respect to Notes linked to one or more Classes of Credit Linked Shares, payment of the Final Redemption Amount of the Relevant Portion(s) of the Notes may be delayed following the giving of a Credit Event Notice, as described more fully in the section below '*Postponement in payment of Final Redemption Amount following Credit Event*'.

Discretion of Calculation Agent and the Preference Share Calculation Agent

The calculation agent with respect to the Notes will be Investec Bank plc or such other party specified in the applicable Final Terms (the "**Calculation Agent**"). The Calculation Agent shall also carry out valuations with respect to the Preference Shares. In addition, Investec Bank plc will act as calculation agent with respect to the Preference Shares (the "**Preference Share Calculation Agent**"). The Preference Share Calculation Agent will have the sole and absolute discretion, acting in good faith and in a commercially reasonable manner, to determine the occurrence of certain events, including, but not limited to, a Disrupted Date, Potential Adjustment Event, Tender Offer, Merger Event, Nationalisation, Insolvency, De-listing or Additional Disruption Event and, in respect of Notes linked to one or more Classes of Credit Linked Shares, the occurrence of a Credit Event as well as determining the Recovery Rate, Adjusted Fair Market Value and Credit Event Redemption Date (each as defined in the section below entitled "*Description of the Preference Shares*") in respect of the Underlying, and to determine any resulting adjustments and calculations as described in the Articles of the issuer of the Preference Shares, including deductions of any hedging costs incurred by the Issuer and/or its affiliates in respect of an adjustment to or liquidation of their hedging arrangements in respect of the Notes upon an early redemption of the Notes.

In certain circumstances, including a subdivision, consolidation or reclassification of the Underlying, a Tender Offer, Merger, Nationalisation, Insolvency or De-listing (if the Underlying is

comprised of one or more shares) or an Index Modification, Index Cancellation or Index Disruption (if the Underlying is comprised of one or more indices) (each as defined in the section below entitled "*Description of the Preference Shares*"), the Preference Share Calculation Agent shall at its discretion have the right to make certain adjustments to the terms and conditions of the Preference Shares (including to the Redemption Price) to account for such event. As a result, the Final Redemption Amount of the Notes will be similarly affected and may be less than it might otherwise have been.

In addition, the Calculation Agent has the sole and absolute discretion to make certain calculations under the Notes, including, if the final value of the Preference Shares on redemption is not calculated as of the Maturity Date or any early redemption date (as applicable), determining the value of the Preference Shares with reference to, among other things, the terms and conditions of the Preference Shares.

Prospective purchasers should be aware that any determination made by the Calculation Agent or the Preference Share Calculation Agent may have an impact on the value of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent or the Preference Share Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Trustee and the Noteholders.

Risks in relation to certain types of Notes

In addition to the risks set out above, certain types of Notes may be subject to certain specific risks, including the following:

Capital Plus Minimum Upside Plus Capped/Uncapped Notes. In the case of Notes that are described as Capital Plus Minimum Upside Plus Capped/Uncapped Notes, the return to investors on maturity will be a return of principal plus the greater of (i) a specified minimum return (if so specified in the applicable Final Terms) and (ii) the lesser of (A) the upside of the relevant index multiplied by a leverage factor, as set out in the applicable Final Terms and (B) the cap value, if such a cap value is specified in respect of capped Notes in the applicable Final Terms. The leverage factor may be less than 100%, in which case investors would not be exposed to the full upside (if any) of the relevant index. For any positive return on their capital, investors will be exposed to the performance of the relevant index. In respect of capped Notes, the exposure to the performance of the relevant index will be limited and the upside to investors will be limited. Depending on the performance of the relevant index, investors may receive a low return on their Notes.

Capital Less Down Plus Upside Capped/Uncapped Notes. In the case of Notes that are described as Capital Less Down Plus Upside Capped/Uncapped Notes, the investor's entire capital is at risk. If the final level of the relevant index is less than the initial level of the relevant index, investors in the Notes will suffer a loss of capital on the Notes in a proportion that is equal to such decline in the relevant index. If the final level of the relevant index is above its initial specified level, investors will be exposed to the upside of such index performance multiplied by a leverage factor. A small downward movement in the final level of the relevant index could result in investors forgoing relatively large returns. If such Notes are specified to be capped at a specified maximum, the upside to investors will be limited, while investors would still have exposure to full downside risk.

Capital Less Down and In Barrier Plus Upside Capped/Uncapped Notes. In the case of Notes that are described as Capital Less Down and In Barrier Plus Upside Capped/Uncapped Notes, the investor's entire capital is at risk. The return on the Notes will be dependent on (i) the final level of the relevant index and (ii) whether the level of the relevant index has fallen below a specified barrier during a specified period (including at any time on any trading day during such period, if so specified in the applicable Final Terms). If (i) the barrier has not been breached, or

(ii) the barrier has been breached and the final level of the relevant index is greater than or equal to the initial level of the relevant index, the return to investors on maturity will be a return of principal plus the lesser of (A) the upside of the relevant index multiplied by a leverage factor, as set out in the applicable Final Terms and (B) the cap value, if such a cap value is specified in respect of capped Notes in the applicable Final Terms. The leverage factor may be less than 100%, in which case investors would not be exposed to the full upside (if any) of the relevant index. For any positive return on their capital, investors will be exposed to the performance of the relevant index. In respect of capped Notes, the exposure to the performance of the relevant index will be limited and the upside to investors will be limited. Depending on the performance of the relevant index, investors may receive a low return on their Notes. If (i) the barrier has been breached, and (ii) the final level of the relevant index is less than the initial level of the relevant index, investors will lose their right to return of all their principal at maturity and will suffer a reduction of their capital in proportion with the decline of the index level during a specified period (which may coincide with the term of the Notes), in which case investors would be fully exposed to any downside of the relevant index during such specified period.

Capital Plus Cliquet With Global Floor Notes. In the case of Notes that are described as Capital Plus Cliquet With Global Floor Notes, the return on the Notes is determined with reference to the aggregate of the performances of the relevant index over several periods, rather than the overall performance of such index during the term of the Notes. The measured index return for each period is subject to a maximum and a minimum. To the extent the performance of the index in a given period exceeds the maximum index return for such period, Noteholders will not benefit from such positive performance in excess of such specified maximum. The return to Noteholders will therefore tend to be higher if a positive performance by the relevant index is spread over several periods, and any negative performance is concentrated to a relatively small number of periods and vice versa. Because of the way the maximum and minimum index returns work in each period, the return on the Notes may differ substantially from the performance of the index over the term of the Notes. For example, even if the level of the relevant index at maturity is substantially higher than it was on the Issue Date, Noteholders could still forgo any return on the Notes (subject to any global floor specified in the Final Terms) if the performance of the relevant index was poor over several periods.

Capital Plus Range Accrual Notes. In the case of Notes that are described as Capital Plus Range Accrual Notes, the Notes will provide for a minimum return plus a bonus return, as specified in the Final Terms. The bonus return is linked to the number of days the level of the relevant index is within a certain range at the relevant valuation time on each day. As the number of days on which the level of the relevant index is outside such range increases, the return to Noteholders will decrease. Noteholders will therefore be exposed to the risk of a prolonged increase or decline in, or volatility of, the relevant index that causes the index level to fall outside of the specified range.

Capital Plus Corridor 1-Touch Notes. In the case of Notes that are described as Capital Plus Corridor 1-Touch Notes, the Notes will provide for a return of capital plus a bonus return, as specified in the Final Terms. The bonus return is contingent upon the level of the relevant index remaining within a certain range throughout the term of the Notes. If at any time the level of the relevant index breaches the upper or lower barrier of such range (including at any time on any trading day, if so specified in the Final Terms), Noteholders will forgo the bonus return and therefore may not receive any return on their Notes (aside from a return of their capital). Noteholders are therefore exposed to the risk that any movement by the index level outside of the specified range, even for a very short period of time and even if such movement is not reflected in the closing level of the relevant index on any day, could cause them to forgo all upside return on their Notes.

Capital Plus Callable/Kickout Upside Notes. In the case of Notes that are described as Capital Plus Callable/Kickout Upside Notes, if the level of the relevant index is at or greater than a certain specified levels on certain specified dates, the Issuer will automatically redeem the Notes. On such early redemption, Noteholders will receive an early redemption amount, as specified in the applicable Final Terms, which could be less than what the Noteholders would have received on maturity if the Notes had not redeemed early. If the level of the relevant index is not at the specified trigger level on a relevant date for early redemption, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forgo such early redemption amount, which may have been higher than the amount they ultimately receive on maturity. The return to investors on maturity will be a return of principal plus the greater of (A) zero and (B) the upside of the relevant index multiplied by a leverage factor, as set out in the applicable Final Terms. The leverage factor may be less than 100%, in which case investors would not be exposed to the full upside (if any) of the relevant index. For any positive return on their capital, investors will be exposed to the performance of the relevant index. Depending on the performance of the relevant index, investors may receive a low return on their Notes.

Capital Less Down and In Barrier Plus Callable/Kickout Upside Notes. In the case of Notes that are described as Capital Less Down and In Barrier Plus Callable/Kickout Upside Notes, the investor's entire capital is at risk. The return on the Notes will be dependent on (i) the final level of the relevant index and (ii) whether the level of the relevant index has fallen below a specified barrier during a specified period (including at any time on any trading day during such period, if so specified in the applicable Final Terms). If (i) the barrier has not been breached, or (ii) the barrier has been breached and the final level of the relevant index is greater than or equal to the initial level of the relevant index, the return to investors on maturity will be a return of principal plus the greater of (A) zero and (B) the upside of the relevant index multiplied by a leverage factor, as set out in the applicable Final Terms. The leverage factor may be less than 100%, in which case investors would not be exposed to the full upside (if any) of the relevant index. For any positive return on their capital, investors will be exposed to the performance of the relevant index. Depending on the performance of the relevant index, investors may receive a low return on their Notes. If (i) the barrier has been breached, and (ii) the final level of the relevant index is less than the initial level of the relevant index, investors will lose their right to return of all their principal at maturity and will suffer a reduction of their capital in proportion with the decline of the index level during a specified period (which may coincide with the term of the Notes), in which case investors would be fully exposed to any downside of the relevant index during such specified period

If the level of the relevant index is at or greater than certain specified levels on certain specified dates, the Issuer will automatically redeem the Notes. On such early redemption, Noteholders will receive an early redemption amount, as specified in the applicable Final Terms, which amount could be less than what the Noteholders would have received on maturity if the Notes had not redeemed early. If the level of the relevant index is not at the specified trigger level on a relevant date for early redemption, the Notes will not be redeemed early pursuant to such provisions and Noteholders will forgo such early redemption amount, which may have been higher than the amount they ultimately receive on maturity (which amount may be a loss, as set out in the preceding paragraph).

Capital Less Down and In Barrier Enhanced Income Notes. In the case of Notes that are described as Capital Less Down and In Barrier Plus Enhanced Income Notes, the investor's entire capital is at risk. The Notes are scheduled to pay a specified interest payment plus a contingent return of capital at maturity. The return of capital at maturity is dependent on (i) the final level of the relevant index and (ii) whether the level of the relevant index has fallen below a specified barrier during a specified period (including at any time on any trading day, if so specified in the Final Terms). If (i) the barrier has not been breached, or (ii) the barrier has been

breached and the final level of the relevant index is greater than or equal to the initial level of the relevant index, the Notes will provide a return of principal. If (i) the barrier has been breached, and (ii) the final level of the relevant index is less than the initial level of the relevant index, investors will lose their right to return of all their principal at maturity and will suffer a reduction of their capital in proportion with the decline of the index level during a specified period (which may coincide with the term of the Notes), in which case investors would be fully exposed to any downside of the relevant index during such specified period.

Capital Less Down and Enhanced Income Notes. In the case of Notes that are described as Capital Less Down and Enhanced Income Notes, the investor's entire capital is at risk. The Notes are scheduled to pay a specified interest payment plus a maximum return at maturity of the principal amount of the Notes. The return of principal at maturity will be reduced in proportion with the decline (if any) of the level of the relevant index during a specified period (which may or may not coincide with the term of the Notes) and therefore investors are fully exposed to the downside of the index during such specified period.

Defensive Returns Notes. In the case of Notes that are described as Defensive Returns Notes, the investor's return depends upon the performance of Defensive Returns Preference Shares which are further linked to the performance of an index specified in the applicable Final Terms as the relevant index. The economic consequences of an investment in the Defensive Returns Notes are summarised below. By investing in such Defensive Returns Notes, all or part of the investor's capital is at risk.

Risks in relation to Defensive Returns Notes

On maturity, an investor in Defensive Returns Notes will receive a return based on the final level of an index as compared to the initial level of such index. Investors in the Defensive Returns Notes will receive a positive return on their capital if either of the following conditions are satisfied:

- (a) the final level of the index is greater than (or, if specified in Final Terms, greater than or equal to) a level specified in the applicable Final Terms (the "**Call Strike Level**"); or
- (b) the final level of the index is less than (or, if specified in the applicable Final Terms, less than or equal to) a level specified in the applicable Final Terms (the "**Put Strike Level**") but above the barrier level specified in the applicable Final Terms.

The Call Strike Level will be a level greater than or equal to the initial level of the relevant index. The Put Strike Level will be a level less than or equal to the initial level of the relevant index.

The return that an investor in the Defensive Returns Notes receives in respect of (a) or (b) will be dependent on whether, in the case of (a) any of Call Gearing, a Call Cap or a Digital Return (each as described in more detail below under "*Risks related to Defensive Returns Notes if the final level of the index is greater than the Call Strike Level*") is specified in the applicable Final Terms; and, in the case of (b) any of Put Gearing, a Put Cap or a Digital Return (as described in more detail below under "*Risks related to Defensive Returns Notes if the final level of the relevant index is less than the Put Strike Level*") is specified in the applicable Final Terms.

In the event that the final level of the index is between the Call Strike Level and the Put Strike Level, the amount that an investor receives (which may be more or less than their capital) will be dependent on whether Gearing (as described in more detail below under "*Risks in relation to Defensive Returns Notes if the final level of the relevant index is between the Call Strike Level and the Put Strike Level*") is specified in the applicable Final Terms.

In the event that the final level of the index is less than the barrier specified in the applicable Final Terms, the investor's capital will be at risk. The extent to which the investor's capital will be at risk is dependent on whether Barrier Gearing (as described in more detail below under "*Risks in relation to Defensive Returns Notes if the final level of the relevant index is less than the specified barrier*") is specified in the relevant Final Terms.

Risks in relation to Defensive Returns Notes to which a Call Strike Level and/or a Put Strike Level are specified in the applicable Final Terms

If a Call Strike Level is specified in the applicable Final Terms, the investor will not receive any returns above their capital, even if the final level of the relevant index is above its initial level, but below the Call Strike Level so specified. Similarly, if a Put Strike Level is specified in the applicable Final Terms, the investor will not receive any returns above their capital, and may even suffer a loss, if the final level of the relevant index is below its initial level, but above the Put Strike Level so specified. The risks described in this paragraph are only applicable to investors who invest in Notes where the applicable Final Terms have specified such a Call Strike Level and/or a Put Strike Level and such investors may, in certain circumstances, receive returns that are less than investors in Notes to which these such levels are not applicable.

Risks related to returns from Defensive Returns Notes

Depending on the performance of the relevant index (whether positive or negative), investors may receive a low return on their Notes or even lose their capital if certain conditions specified in the applicable Final Terms are met. If the level of the relevant index, whether at maturity or at any other period specified in the applicable Final Terms as a period in which the index is observed, is not at or above the specified barrier in the specified period, the investors may suffer a loss in capital even if the levels of the index may have been higher at any other time during the lifetime of the Notes.

Risks related to Defensive Returns Notes if the final level of the relevant index is greater than the Call Strike Level

If the final level of the relevant index is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike Level, investors in the Notes will receive either:

(i) a return above the principal of the principal multiplied by the lesser of (A) the upside of such index performance multiplied by a leverage factor (the "**Call Gearing**"), as set out in the applicable Final Terms; and (B) a cap (the "**Call Cap**"), if specified in the applicable Final Terms. Thus, any returns linked to the positive performance of the relevant index may only be payable if the final level of the relevant index is greater than (or, if specified in the applicable Final Terms greater than or equal to) the Call Strike Level. If a Call Cap is specified, or in circumstances where the Call Gearing is less than 100%, investors would not be exposed to the full upside (if any) of the performance of the relevant index; or

(ii) a fixed return which shall be specified in the applicable Final Terms (the "**Digital Return**"),

in each case as specified in the applicable Final Terms.

Risks in relation to Defensive Returns Notes if the final level of the relevant index is between the Call Strike Level and the Put Strike Level

If the final level of the relevant index is (i) less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike Level and (ii) greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike Level, investors in the Notes will receive an

amount equal to the product of the principal and a leverage factor (the "**Gearing**"), as set out in the Final Terms. Thus, any returns linked to the performance (whether positive or negative) of the relevant index may only be payable if the final level of the relevant index is greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Call Strike Level or less than (or, if specified in the applicable Final Terms, less than or equal to) the Put Strike Level. The Gearing, if specified in the applicable Final Terms, may be greater or less than 100%. In circumstances where the Gearing is specified in the applicable Final Terms as being less than 100%, and the final level of the relevant index is less than (or, if specified in the applicable Final Terms, less than or equal to) the Call Strike Level and greater than (or, if specified in the applicable Final Terms, greater than or equal to) the Put Strike Level, the investor will suffer a loss of capital on the Notes.

Risks in relation to Defensive Returns Notes if the final level of the relevant index is less than the Put Strike Level but greater than the specified barrier

If the final level of the relevant index is less than (or, if specified in the applicable Final Terms less than or equal to) the Put Strike Level of the relevant index, but greater than or equal to the specified barrier, the investors in the Notes will receive either:

- (i) a return above the principal of the principal multiplied by the lesser of (A) the downside of such index performance (but expressed as a positive number) multiplied by a leverage factor (the "**Put Gearing**") as set out in the applicable Final Terms; and (B) a specified cap (if so specified in the applicable Final Terms) (the "**Put Cap**"). If a Put Cap is specified, or in circumstances where the Put Gearing is less than 100%, investors would not be exposed to the full benefit (if any) of any negative performance of the relevant index and the related returns (if any); or
- (ii) a fixed return which shall be specified in the applicable Final Terms (the "**Digital Return**"),

in each case as specified in the applicable Final Terms.

Risks in relation to Defensive Returns Notes if the final level of the relevant index is less than the specified barrier

If the final level of the relevant index is less than the specified barrier, the investors in the Notes will suffer a loss of capital on the Notes in proportion with the decline of the relevant index level below the specified barrier which may, if so specified in the applicable Final Terms, be multiplied by a leverage factor (the "**Barrier Gearing**"), as set out in the applicable Final Terms. The Barrier Gearing may be more than 100%, in which case, the loss that the investors suffer may be greater than on a one for one basis in proportion with the decline of the relevant index level below the specified barrier.

Risks in relation to Credit Linked Share Notes

Increased credit exposure

Notes may be linked to one or more Classes of credit linked Preference Shares ("**Credit Linked Shares**"). Notes which are linked to one or more Classes of Credit Linked Shares ("**Credit Linked Share Notes**") are complex financial instruments. An investment in Credit Linked Share Notes will entail significant risks not associated with conventional fixed or floating rate debt securities which are not credit linked. As the redemption amount payable in respect of each Credit Linked Share Note is determined by reference to the redemption price of the relevant Credit Linked Share(s), Noteholders will be indirectly exposed to the credit risk of the Reference Entity or, in the case of Notes linked to more than one Class of Credit Linked Shares, the

Reference Entities. Therefore, in addition to being exposed to the credit of the Issuer and the Preference Share issuer, investors in Credit Linked Share Notes will also be exposed to the credit of the specified Reference Entity or Reference Entities.

Reduced return following a Credit Event with respect to one or more Reference Entities

Each Credit Linked Share is linked to the credit of one Reference Entity, such as a bank, a corporation or a government. If a Reference Entity goes bankrupt or becomes Insolvent, then the Preference Share Calculation Agent may give notice of the occurrence of a Credit Event and the redemption price which would otherwise be payable under the related Preference Share will be reduced. The redemption price payable in respect of a Credit Linked Share following the giving of a Credit Event Notice will be determined by the Preference Share Calculation Agent acting in a commercially reasonable manner by reference to the Recovery Rate for such Reference Entity. The Recovery Rate is the rate or percentage that an investor of unsecured, unsubordinated structured debt obligations of the Reference Entity is likely to recover following the bankruptcy or insolvency of such Reference Entity. If one or more Reference Entities become Insolvent, an investor in the Credit Linked Share Notes may receive considerably less than the amount paid by such investor for the Notes and if all of the relevant Reference Entities become insolvent, an investor's return on the Notes may even be zero. Credit Linked Share Notes are not capital protected and investors may lose all or a substantial portion of their initial investment.

Investors should note that the Recovery Rate is not determined by reference to any one specific debt obligation of the Reference Entity, but by reference to the unsecured, unsubordinated structured debt obligations of the Reference Entity generally. Accordingly the redemption price payable in respect of the Credit Linked Share and accordingly the redemption amount payable in respect of the Relevant Portion of each Note may be different from the return that investors would have received had they been holding a particular debt instrument issued by the Reference Entity.

Postponement in payment of Final Redemption Amount following Credit Event

Each Class of Credit Linked Share shall be redeemed following the occurrence of a Credit Event with respect to the relevant Reference Entity. Payment of the Credit Linked Share redemption price may be delayed for some time and could be delayed until 30 days after the date that the Preference Share Calculation Agent determines that holders of unsecured, unsubordinated structured debt obligations of the Reference Entity actually received or are likely to receive final payment with respect to such debt. The Relevant Portion of the Note relating to such Credit Linked Share will be redeemed three business days after the date on which the Credit Linked Share is redeemed. Accordingly, any delay in the payment of the Credit Linked Share redemption price will cause a delay in payment of the Relevant Portion of the Note redemption amount. The Credit Linked Share redemption date and the date when payment of the Relevant Portion of such Credit Linked Share Note is to be made by the Issuer may fall after the Note's scheduled maturity date. No interest is payable to Noteholders during this period of delay, which may be considerable and may extend years beyond the scheduled maturity date of the relevant Notes.

Correlation risk

The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition of such Reference Entity, general economic conditions, the condition of financial markets, political events, developments and trends in a particular industry and prevailing interest rates. With respect to Credit Linked Share Notes which are linked to more than one Credit Linked Share, the relevant Reference Entities

are likely to be entities operating in the same industry and/or geographical area (for example, banks or financial institutions operating in the UK). Accordingly, a credit deterioration in one Reference Entity may be strongly correlated with the credit deterioration of the other Reference Entities. If one Reference Entity is negatively affected by certain market conditions, such market conditions are likely to also affect the other Reference Entities and/or the Issuer. This may result in substantial decreases in the return payable on such Credit Linked Share Note over a short period of time as more than one Reference Entity and possibly also the Issuer is affected by the same market conditions. Furthermore, the insolvency of one Reference Entity may exacerbate market conditions and contribute to the credit deterioration of the other relevant Reference Entities and/or the Issuer.

No information regarding Reference Entities

No investigation has been or will be made regarding any of the Reference Entities. Prospective investors of Credit Linked Share Notes should obtain and evaluate information regarding the Reference Entities as if they were investing directly in the debt obligations of the Reference Entities. In addition, investors should understand that the historical performance of any specific debt obligation or the debt obligations of such Reference Entities generally is not predictive of future performance. As none of the Reference Entities has participated in the preparation of this Base Prospectus or any Final Terms, there can be no assurance that all material events or information regarding the Reference Entities have been disclosed at the time the Notes are issued. Subsequent disclosure of any such events or the failure to disclose material events concerning any of the Reference Entities could affect the Final Redemption Amount payable on the Notes.

Issuer need not suffer or prove financial loss with respect to any Insolvent Reference Entity

With respect to Credit Linked Share Notes which are also Secured Notes, the Issuer may but is not obligated under the terms of the Trust Deed to purchase debt securities of the relevant Reference Entities to post as collateral. Under the terms of the Trust Deed, the Issuer may post cash, government gilts and/or debt obligations of the relevant Reference Entities and accordingly the Collateral Pool for such Secured Notes may not in fact include debt instruments of one or more of the relevant Reference Entities. Following the delivery of a Credit Event Notice with respect to any Reference Entity, the return payable to an investor in the Notes will be reduced and may be reduced substantially but there is no need for the Issuer to suffer any loss or provide evidence of financial loss in such instances.

Dual Currency Notes

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the conditions of the Notes.

Taxation in relation to the Notes

Transactions involving Notes may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. No representation is made by the Issuer or the Dealer as to the tax consequences for any person of acquiring, holding or disposing of any Notes or any other transaction involving any Notes. Potential purchasers who are in any doubt about such matters or any other tax issues relating to the Notes should consult and rely on their own tax advisers. Potential investors should seek their own advice in this regard.

In certain circumstances a portion of payments made on or with respect to Notes may be subject to U.S. reporting obligations which, if not satisfied, may require U.S. tax to be withheld

The United States has passed legislation (the Foreign Account Tax Compliance Act provisions of the Hiring Incentives to Restore Employment (HIRE) Act of 2010, commonly referred to as "**FATCA**"), which generally will impose new information reporting and other requirements with respect to certain holders of "**financial accounts**", as such term is defined in the FATCA rules. Under FATCA, non-U.S. financial institutions generally will be required to enter into agreements with the Internal Revenue Service ("**IRS**") to identify financial accounts held by U.S. persons or non-U.S. entities with substantial U.S. ownership, as well as accounts of other "financial institutions" that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. For these purposes, the term "**financial institution**" includes, among others, banks, insurance companies and funds that are engaged primarily in the business of investing, reinvesting or trading in securities, commodities or partnership interests. Notes issued prior to 1 January 2013 that are classified as debt for U.S. federal income tax purposes are generally exempt from these rules.

If a participating non-U.S. financial institution makes a covered payment to an accountholder that has not provided information requested to enable the financial institution to comply with its FATCA reporting obligations, or if the recipient of the payment is a non-participating non-U.S. financial institution (that is not otherwise exempt), the payor will be required to withhold 30% on all or a portion of the payment. The withholding tax on payments to a non-participating non-U.S. financial institution generally will apply whether the financial institution is receiving payments for its own account or on behalf of another person. Guidance issued by the IRS indicates an intention to promulgate regulations that, beginning in 2017, would treat, for example, a portion of payments of interest, principal and disposition proceeds on debt or equity issued by a participating non-U.S. financial institution as being subject to this withholding tax based on the percentage of the financial institution's total assets that are U.S. assets.

If the Issuer (or any Paying Agent) were to enter into a reporting agreement with the IRS under the FATCA rules, an investor in Notes that is not a financial institution may be required to provide information to establish whether it is a U.S. person or is substantially owned by U.S. persons in order to establish an exemption from this withholding tax. An investor in Notes that is a financial institution may be required to establish whether it is a U.S. financial institution or a participating non-U.S. financial institution in order to establish such an exemption.

An investor that is a non-U.S. financial institution generally will be able to obtain a refund only to the extent an applicable income tax treaty with the United States entitles such institution to a reduced rate of tax on the payment that was subject to withholding under these rules, provided the required information is furnished in a timely manner to the IRS. Investors generally will not be entitled to interest from the IRS for the period prior to the refund. It is not entirely clear how income tax treaty exemptions apply to withholding on payments of principal or gross proceeds recognised on the sale or other disposition of Notes.

Financial institutions in jurisdictions that have entered into agreements with the United States and enacted legislation to collect and share information regarding accountholders of financial institutions with the United States will generally be able to receive payments free of withholding under FATCA. The United Kingdom, the United States, France, Germany, Italy and Spain have announced their intention to enter into inter-governmental reciprocal information gathering and sharing agreements of this kind. It is not yet clear whether legislation implementing these agreements will be enacted in any jurisdiction nor is it entirely clear how any such legislation will impact the treatment of Notes under FATCA.

Investors will not be entitled to receive additional amounts or otherwise be compensated by the Issuer (or any Paying Agent) with respect to taxes withheld pursuant to FATCA.

This description of the FATCA rules is based on proposed regulations and preliminary guidance. Further guidance is anticipated prior to the effective date of these rules, which may significantly modify these rules as they apply to the Issuer and to investors. Investors should consult their own advisers about the application of FATCA to Notes, in particular if they may be classified as financial institutions under these rules.

No Gross Up

Unless the Final Terms specify that Condition 7A (*Taxation - No Gross Up*) is not applicable and that Condition 7B (*Taxation - Gross Up*) is applicable, the Issuer will not be obliged to gross up, or pay any additional amounts in respect of, any payments of principal and interest in respect of the Notes, Receipts and Coupons in respect of which any withholding or deduction has been required to be made in respect of any tax.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

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

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions, commissions paid by the Issuer or the Dealer and the financial condition of the Issuer. Although application has been made for Notes issued under the Programme to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted, that an active trading market will develop or that any listing or admission to trading will be maintained.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

Interest rate risks

Investment in Fixed Rate Notes and Zero Coupon Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes or Zero Coupon Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above or other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Credit ratings of Issuer

The value of the Notes may be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services, such as Moody's Investors Service Inc., Standard & Poor's (a division of the McGraw-Hill Companies, Inc) and Fitch Ratings. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer, by one of these rating agencies could result in a reduction in the trading value of the Notes.

Legal investment considerations may restrict certain investments

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus, save that any documents incorporated by reference in any of the documents set forth below do not form part of this Base Prospectus:

1. The registration document (the "**Registration Document**") of the Issuer dated 13 June 2012.
2. The annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2011 of the Issuer, which has previously been published and filed with the FSA.
3. The annual report (including the auditors' report and audited consolidated annual financial statements) for the financial year ended 31 March 2010 of the Issuer, which has previously been published and filed with the FSA.
4. The unaudited half yearly financial report of the Issuer (which has not been reviewed by the Issuer's auditors) for the six months ended 30 September 2011, which has previously been published and filed with the FSA.
5. The amended preliminary unaudited consolidated financial information of the Issuer (which has not been reviewed by the Issuer's auditors) for the year ended 31 March 2012, which has previously been published and filed with the FSA.
6. The Terms and Conditions of the Notes contained at pages 48 to 77 in the base prospectus relating to the Programme dated 2 October 2009 (the "**2009 Conditions**").
7. The Terms and Conditions of the Notes contained at pages 48 to 77 in the base prospectus relating to the Programme dated 1 October 2010 (the "**2010 Conditions**").
8. The Terms and Conditions of the Notes contained at pages 52 to 83 in the base prospectus relating to the Programme dated 20 September 2011 (the "**2011 Conditions**").

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

The documents incorporated by reference in this Base Prospectus shall not include any documents which are themselves incorporated by reference in such incorporated documents ("daisy chained" documents). Such daisy chained documents shall not form part of this Base Prospectus. Where only part of the documents listed above have been incorporated by reference, only information expressly incorporated by reference herein shall form part of this document and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from (i) the registered office of the Issuer and from the specified offices of the Principal Paying Agent and (ii) the website of the Regulatory News Service operated by the London Stock

Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html.

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

PRESENTATION OF FINANCIAL INFORMATION

The Issuer's financial information as incorporated by reference in this Base Prospectus in respect of (i) the financial years ended 31 March 2011 and 31 March 2010, (ii) the half year ended 30 September 2011, and (iii) the financial year ended 31 March 2012 have been extracted without material adjustment from the audited financial statements for the financial years ended 31 March 2011 and 31 March 2010, the unaudited financial statements for the half year ended 30 September 2011, and the amended preliminary unaudited financial information for the year ended 31 March 2012 respectively.

The consolidated financial statements of the Issuer have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as endorsed by the European Union.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, certificated registered form or uncertificated registered form, in each case without interest coupons attached.

Bearer Notes

Each Tranche of Notes in bearer form will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with the Temporary Bearer Global Note, the "**Global Notes**") which, in either case, will be delivered on or prior to the issue date of the relevant Tranche to a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a similar certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, *provided that* purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. Where the applicable Final Terms specify that a Permanent Bearer Global Note will be exchangeable on 60 days' notice given at any time, the Notes must not have a Specified Denomination which includes the concept of higher integral multiples above the minimum denomination. For these purposes,

"**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative or successor clearing system satisfactory to the Trustee is available or (iii) the Issuer would suffer a disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear and/or Clearstream, Luxembourg which would not be suffered were the Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes that are not in registered form for U.S. tax purposes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on such Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Registered Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 (*Transfers of Registered Notes*) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d) (*Payments - Payments in respect of Registered Notes*)) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d) (*Payments - Payments in respect of Registered Notes*)) immediately preceding the due date for payment in the manner provided in that Condition.

Notwithstanding Condition 5(d) (*Payments - Payments in respect of Registered Notes*), for so long as any Registered Note in global form is held through a clearing system, payments of any amount in respect of the Registered Notes will be made to the person shown in the Register as the Registered Holder of the Notes represented by a Registered Note at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where the "**Clearing System Business Day**" means a day on which each clearing system for which the Global Trust Certificate is being held is open for business. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable see "*Subscription and Sale*".

For purposes of clarity, references herein to "**Registered Notes**" do not include Notes issued in uncertificated registered form (the "**Uncertificated Registered Notes**"), and Registered Notes, in either global or definitive form, are not exchangeable for Uncertificated Registered Notes and *vice versa* (except that Uncertificated Registered Notes shall be exchanged for Registered Definitive Notes in certain limited circumstances specified in the Trust Deed, including in circumstances where such Uncertificated Registered Notes cease to be participating securities capable of being held in CRESTCo. Limited).

Uncertificated Registered Notes

Each Tranche of Uncertificated Registered Notes will be in uncertificated registered form comprising Notes which are uncertificated units of a security in accordance with the Regulations.

Uncertificated Registered Notes will be credited to the subscribers' accounts with CRESTCo. Limited on the issue date thereof upon certification as to non-U.S. beneficial ownership.

Uncertificated Registered Notes will not be exchangeable for Notes in definitive registered form.

Title to Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities.

Each person who is for the time being shown in the Record (as defined under "*Terms and Conditions of the Notes*") as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer, the CREST Registrar and the Trustee as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly).

Further Tranches

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*") (in the case of Notes other than Uncertificated Registered Notes) or the Computershare Agency Agreement (in the case of Uncertificated Registered Notes), the Principal Paying Agent or the CREST Registrar (as the case may be) shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code (except in the case of Uncertificated Registered Notes) and ISIN number which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period applicable to the Notes of such Tranche.

Other provisions relating to Notes held in Euroclear and/or Clearstream, Luxembourg

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

The Final Terms in respect of any Notes in the form of a Global Note or a Registered Global Note will provide that, notwithstanding Condition 5(h), "**Payment Business Day**" means, so long as such Notes are represented by a Global Note or, as the case may be, a Registered Global Note, (i) each Additional Financial Centre specified in the applicable Final Terms and (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which

commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (Interest)).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

PRO FORMA FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[Notes issued pursuant to these Final Terms are securities to be listed under Listing Rule [17 / 19].¹]

[Date]

Investec Bank plc

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] **under the £4,000,000,000**

Zebra Capital Plans Retail Structured Products Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 13 June 2012 [and the supplemental Prospectus[es] dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [2009/2010/2011] Conditions which are defined in, and incorporated by reference into, the Base Prospectus dated 13 June 2012. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 13 June 2012 [and the supplemental Prospectus dated [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at and copies may be obtained during normal working hours from Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from [Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB / Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE].

Prospective investors considering acquiring any Notes should understand the risks of transactions involving the Notes and should reach an investment decision only after carefully considering, with their financial, legal, regulatory, tax, accounting and other advisers, the suitability of the Notes in light of their particular circumstances (including without limitation their own financial circumstances and investment objectives and the impact the Notes will have on their overall investment portfolio) and the information contained in this Base Prospectus and the

¹ To be included in respect of all issues which are to be admitted to listing. Delete 17 or 19 as appropriate. Listing Rule 19 applies to securitised derivatives. Listing Rule 17 applies to debt securities, asset-backed securities and convertible securities.

relevant Final Terms. Prospective investors should consider carefully the risk factors set out under "Risk Factors" in this Base Prospectus.

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing Final Terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | |
|---|---|
| 1. Issuer: | Investec Bank plc |
| 2. [(a)] Series Number: | [•] |
| [(b)] Tranche Number: | [•] |
| <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> | |
| 3. Specified Currency or Currencies: | [•] |
| 4. Aggregate Nominal Amount: | |
| [(a)] Series: | [•] |
| [(b)] Tranche: | [•] |
| 5. Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |
| 6. (a) Specified Denominations: | [•] |
| (b) Calculation Amount: | [•] |
| <i>[If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations.]</i> | |
| 7. (a) Issue Date: | [•] |
| <i>[N.B. The Issue Date must be the same date as the issue date of the Preference Shares, which must be a Business Day in the Cayman Islands]</i> | |
| (b) Interest Commencement Date: | [Specify/Issue Date/Not applicable] |
| 8. Maturity Date: | [Specify date for Floating Rate Notes only - Interest Payment Date falling in or |

nearest to [specify month and year]]

[N.B. The Maturity Date should be the Final Redemption Date of the Preference Shares (which must be a Business Day in the Cayman Islands) and payment of the Final Redemption Amount will, pursuant to Condition 6, be made three Business Days following the Maturity Date to account for any Price Corrections]

9. Interest Basis:

[[•] per cent. Fixed Rate]

[[LIBOR/EURIBOR] +/-[•] per cent. Floating Rate]

[Zero Coupon]

[Dual Currency Interest]

[Specify other]

(further particulars specified below)

10. Redemption/Payment Basis:

[Final Redemption Amount linked to value of Preference Shares in accordance with Condition 6 (*Redemption and Purchase*)]

[Dual Currency Redemption]

[Instalment]

[Specify other]

[N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.]

11. Change of Interest Basis or Redemption/Payment Basis:

[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]

12. Call Option:

[Applicable/Not applicable]

[(further particulars specified below)]

13. (a) Status of the Notes:

Senior

(b) Security Status:

[Unsecured Notes/Secured Notes. The Issuer has designated the Notes as covered bonds].

(c) [Date [Board] approval for issuance of Notes Obtained:

[•]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)]

14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

(a) Rate(s) of Interest: [•] per cent. per annum [payable [annually/semi - annually/quarterly/other specify] in arrear] *[If payable other than annually, consider amending Condition 4(a) (Interest on Fixed Rate Notes)]*

[For Capital Less Down and In Barrier Enhanced Income Notes²

Condition 4(a) *(Interest on Fixed Rate Notes)* shall not apply. The interest payable in respect of each Note shall be calculated as follows:

(i) With respect to any Fixed Interest Period (defined below) for which the Bonus Condition (as defined below) is met, the amount of interest ("I") payable in relation to a Note shall be calculated as follows:

$$I = SD \times (\text{Base Rate} + \text{Bonus Rate})$$

(ii) With respect to any Fixed Interest Period for which the Bonus Condition is **not** met, the amount of interest payable in relation to a Note shall be calculated as follows:

$$I = SD \times \text{Base Rate}$$

where:

"Base Rate" means [•] per cent.;

"Bonus Averaging Date" means, in relation to each Fixed Interest Period, the relevant Bonus Averaging End Date and

² Only applicable in respect of Annual or Monthly ISA Plans

each of the four Scheduled Trading Days preceding such Bonus Averaging End Date;

"**Bonus Averaging End Date**" means, in relation to each Fixed Interest Period, the date specified in the column headed "Bonus Averaging End Date" in the table below, provided that if such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day shall be the Bonus Averaging End Date;

the "**Bonus Condition**" is deemed to be met in relation to a Fixed Interest Period if the Bonus Index Level in relation to such Fixed Interest Period is above the Initial Index Level;

"**Bonus Index Level**" means, with respect to each Fixed Interest Period, the daily arithmetic average of the official closing levels of the Index on each Bonus Averaging Date for such Fixed Interest Period;

"**Bonus Rate**" means [•] per cent.;

"**Fixed Interest Period**" means each of the periods specified in the column headed "Fixed Interest Period" in the table below; and

"**SD**" means Specified Denomination.]

<i>Fixed Interest Period</i>		<i>Interest Payment Date</i>	<i>Bonus Averaging End Date</i>
<i>from but excluding</i>	<i>to and including</i>		
[•]	[•]	[•]	[•]

- (b) Interest Payment Date(s): [[•] in each year up to and including the Maturity Date]/ [*For Capital Less Down and In Barrier Enhanced Income Notes*³, Each date specified in the column headed "*Interest Payment Date*" in the table in Part A, paragraph [15](a) above.]/ [*specify other*]
- [*N.B. This will need to be amended in the case of long or short coupons*]

³ Only applicable in respect of Annual or Monthly ISA Plans

- (c) Fixed Coupon Amount(s): [[•] per Calculation Amount/Not applicable]
- (d) Broken Amount(s): [[•] per Calculation Amount, payable on the Interest Payment Date following [in/on] [•]/Not applicable]
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA/ISDA)/ Not applicable/ *[specify other]*]
- (f) Determination Date(s): [[•] in each year/*[For Capital Less Down and In Barrier Enhanced Income Notes⁴, Each Interest Payment Date]*
- [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration.*
- N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/*Give details*]
16. Floating Rate Note Provisions [Applicable/Not applicable]
- [If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (a) Specified Period(s)/Specified Interest Payment Dates: [•]
- (b) First Interest Payment Date: [•]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[specify other]*]
- (d) Additional Business Centre(s): [•]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/*specify other*]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount [•]

⁴ Only applicable in respect of Annual or Monthly ISA Plans

(if not the Calculation Agent):

- (g) Screen Rate Determination: [•]
- Reference Rate: [•]
[Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement]
 - Interest Determination Date(s): [•]
[Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 system is open prior to the start of each Interest Period if EURIBOR or euro LIBOR]
 - Relevant Screen Page: [•]
[In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately.]
- (h) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (i) Margin(s): [+/-] [•] per cent. per annum
- (j) Minimum Rate of Interest: [•] per cent. per annum
- (k) Maximum Rate of Interest: [•] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360]
[30E/360]
[30E/360 (ISDA)]
[Specify other]

(See Condition 4(b) for alternatives)

- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [•]

17. Dual Currency Interest Note Provisions [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Rate of Exchange/method of calculating Rate of Exchange: [Give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [Give name and address]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [Need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [•]

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call: [Applicable/Not applicable]

[If not applicable, delete the remaining sub-paragraphs of this paragraph]

- (a) Optional Redemption Date(s): [•]
- (b) Notice period (if other than as set out in the Conditions): [•]

[N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee.]

19. (a) Final Redemption Amount of each Note: Final Redemption Amount linked to value of Preference Shares in accordance with Condition 6 (*Redemption and Purchase*)

(b) Classes of Preference Shares to **Preference Share**

which this Series of Notes are linked and their respective Preference Share Weightings:

Class	Weighting
Class [20[•] - [•]]	[•]%
[Class [20[•] - [•]]	[•]%
Class [20[•] - [•]]	[•]%
Class [20[•] - [•]]	[•]%
Class [20[•] - [•]]	[•]%

(c) Rounding: [Details of rounding]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: [Bearer Notes: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]⁺*
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]*
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]*
 [Registered Notes: Registered Global Note ([•] nominal amount)]
 [Uncertificated Registered Notes]
21. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not applicable/give details]
 [Note that this item relates to the place of payment and not Interest Period end dates to which item 16(d) relates]
22. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
23. Details relating to Instalment Notes:

* If a Global Note is exchangeable for Definitive Notes, the Notes shall be tradable only in principal amounts of at least the Specified Denomination specified in paragraph 6 and multiples thereof.

- (a) Instalment Amount(s): [Not applicable/give details]
- (b) Instalment Date(s): [Not applicable/give details]
24. Other final terms: [Not applicable/give details]
- [When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

DISTRIBUTION

25. (a) If syndicated, names of Managers: [Not applicable/give names [and addresses]*]
- [If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.]*
- (b) Date of [Subscription] Agreement: [*]
26. If non-syndicated, name [and address]* of relevant Dealer: [Not applicable/give name [and address]*]
- [Where the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Dealer.]*

27. U.S. Selling Restrictions: [Reg. S Compliance Category: [2];
TEFRA D/TEFRA C/TEFRA not applicable]
28. Additional selling restrictions: [Not applicable/give details]

TAXATION

29. Taxation: Condition 7A (*Taxation - No Gross up*) [applies/does not apply] (*Condition 7A will apply for all issues of Notes unless specified otherwise*)
- [Condition 7B (*Taxation - Gross Up*) [applies/does not apply]]

30. Security Provisions⁵:

[Applicable/Not applicable]

[Security Provisions will be applicable if the Notes are Secured Notes. If not applicable, delete the remaining sub-paragraphs of this paragraph]

(a) Whether Collateral Pool secures this Series of Notes only or this Series and other Series: [This Series only/This Series and other Series].

(b) Date of Supplemental Trust Deed relating to the Collateral Pool securing the Notes and Series Number of first Series of Covered Notes secured thereby: Supplemental Trust Deed dated [•] securing [this Series only/Series Number [•] among others]

(c) Eligible Collateral: Valuation Percentage Maximum Percentage

(A) Cash in an Eligible Currency [•]% [•]%

(B) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of not more than one year [•]% [•]%

(C) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than one year but not more than 10 years [•]% [•]%

(D) Negotiable debt obligations issued by the government of [•] having an original maturity at issuance of more than 10 years [•]% [•]%

(E) [Negotiable senior debt obligations issued or guaranteed by any of the following entities:

Name of Entity	Valuation Percentage	Maximum Percentage
[•]	[•]%	[•]%
[•]	[•]%	[•]%
[•]	[•]%	[•]%
[•]	[•]%	[•]%
[•]	[•]%	[•]%

⁵ Applicable in the case of Credit Linked Share Notes.

- (d) Valuation Dates: [•]
- (e) Eligible Currency: [•]
- (f) Minimum Transfer Amount: [•]
- (g) Independent Amount: [•]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange and the listing on the Official List of the Financial Services Authority of Notes described herein pursuant to the £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme of Investec Bank plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[specify the third party information]* has been extracted from *[specify source of information]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source of information]*, no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [London/Luxembourg/*Other(specify)*/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [].] [Not applicable.]
- [Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.]*

2. RATINGS

- Ratings: [The long-term senior debt of the Issuer has been rated:]/[The Notes to be issued have been rated:
- [S & P*: []]
- [Moody's*: []]
- [Fitch*: []]
- [*Other**: []]
- [*The exact legal name of the rating agency entity providing the rating should be specified- for example "Standard & Poor's Credit Market Services Europe Limited", rather than just Standard and Poor's.]*
- [The Notes to be issued have not been rated.]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- [The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.]*
- [Insert legal name(s) of particular credit rating agency/agencies] is/are established in the EU and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").]*

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EU but the rating it has/they have given to the *[Notes]/[long term [senior/subordinated]* debt securities of the Issuer] is endorsed by *[insert legal name of credit rating agency]*, which is established in the EU and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").*]/*

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EU but is/are certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").*]/*

[Insert legal name(s) of particular credit rating agency/agencies] is/are not established in the EU and is/are not certified under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") and the rating it has/they have given to the *[Notes]/[long term [senior/subordinated]* debt securities of the Issuer] is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.*]*

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EU but is endorsed by a credit rating agency established in the EU and registered under the CRA Regulation, or (2) the rating is provided by a credit rating agency not established in the EU which is certified under the CRA Regulation.

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

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer: []

(See ["Use of Proceeds"] wording in Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: []

[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]

[(iii) Estimated total expenses: []

*[Include breakdown of expenses]
[If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.]*

5. **[Fixed Rate Notes only – YIELD**

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES**

Details of historic *[LIBOR/EURIBOR/other]* rates can be obtained from *[Reuters].*

7. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by

Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

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

8. **[Dual Currency Notes only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[When completing this paragraph, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

9. **OPERATIONAL INFORMATION**

- (i) ISIN Code:
- (i) SEDOL Code:
- (ii) Common Code:
- (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):
- (iv) Delivery:
- (v) Settlement procedures:
- (vi) Additional Paying Agent(s) (if any):
- (vii) Common Depositary:
- (viii) Calculation Agent:
 - is Calculation Agent to make calculations?
 - if not, identify calculation agent:
- (ix) Other relevant Terms and Conditions:

- (x) Other Final Terms:

10. **TERMS AND CONDITIONS OF THE OFFER**

- (i) Offer Price:
- (ii) Offer Period:
- (iii) Conditions to which the offer is subject:
- (iv) Description of the application process:
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:
- (vi) Details of the minimum and/or maximum amount of application:
- (vii) Details of the method and time limits for paying up and delivering the Notes:
- (viii) Manner in and date on which results of the offer are to be made public:
- (ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:
- (x) Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:
- (xi) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:
- (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:
- (xiii) Name(s) and address(es), to the extent known to the

Issuer, of the placers in the various countries where the offer takes place:

PART C – PREFERENCE SHARE CONFIRMATION

Appended hereto [is the Preference Share Confirmation relating to the Class of Preference Shares to which the Notes are linked/are the Preference Share Confirmations relating to the Classes of Preference Shares to which the Notes are linked].

[To be appended]

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Investec Bank plc (the "**Issuer**") constituted by an amended and restated principal trust deed dated 13 June 2012 (such principal trust deed as further modified and/or supplemented and/or restated from time to time, the "**Principal Trust Deed**") made between the Issuer and Deutsche Trustee Company Limited (the "**Trustee**", which expression shall include any successor as Trustee), as supplemented in relation to any Series of Secured Notes by a supplemental trust deed relating to the Collateral Pool (as defined below) securing such Series of Notes (such supplemental trust deed, as amended and/or supplemented and/or restated from time to time, the "**Supplemental Trust Deed**") and made between the Issuer, the Custodian (as defined below) and the Trustee.

References herein to the "**Trust Deed**" shall mean, in relation to any Series of Notes:

- (i) if such Series is a Series of Unsecured Notes, the Principal Trust Deed; and
- (ii) if such Series is a Series of Secured Notes, the Principal Trust Deed together with the Supplemental Trust Deed relating to such Series.

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form;
- (iv) any definitive Notes in certificated registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form); and
- (v) in relation to any Uncertificated Registered Notes (as defined below), units of each Specified Denomination in the Specified Currency.

For the avoidance of doubt, references herein to "Registered Notes" do not include Uncertificated Registered Notes.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 13 June 2012 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made between the Issuer, the Trustee and Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor agent) and the other paying agent named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include

any additional or successor paying agents), Deutsche Bank Luxembourg S.A as registrar in relation to Registered Notes (the "**Registrar**", which expression shall include any additional or successor registrar) and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents), Deutsche Bank AG, London Branch as custodian (the "**Custodian**", which expression shall include any additional or successor custodian) with respect to Secured Notes and Deutsche Bank AG, London Branch as verification agent (the "**Verification Agent**", which expression shall include any additional or successor verification agent) with respect to Secured Notes. The Issuer will also appoint Investec Bank plc as calculation agent (the "**Calculation Agent**", which expression shall include any successor calculation agents) to carry out any necessary calculations or valuations in respect of the Notes, including the valuation of the related Preference Shares. In addition, the Issuer has entered into an agency agreement with Computershare Investor Services plc dated 2 October 2009 (such agency agreement, as amended and/or supplemented and/or restated from time to time, the "**Computershare Agency Agreement**") appointing the latter as registrar and paying agent (the "**CREST Registrar**", which expression shall include any additional or successor registrar) with respect to Uncertificated Registered Notes.

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, Uncertificated Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

References herein to the "**Preference Shares**" shall be references to Preference Shares of the Class or Classes of Preference Shares to which Notes of this Series are linked as specified in the applicable Final Terms and any reference herein to any "**Class**" of Preference Shares shall be references to any of such Classes. The weighting expressed as a percentage (the "**Preference Share Weighting**") of each such Class of Preference Shares in relation to this Series of Notes shall be the percentage specified for such Class in the applicable Final Terms or, if this Series of Notes is linked to a single Class of Preference Shares only, 100 per cent. The Trustee acts for the benefit of the holders for the time being of the Notes (the "**Noteholders**", which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Principal Trust Deed, the Computershare Agency Agreement and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Principal Paying Agent, the Registrar, the CREST Registrar and any other Paying Agents and Transfer Agents (such Principal Paying Agent, the Registrar, the CREST Registrar, any other Paying Agents and Transfer Agents being together referred to as the "**Agents**"). Copies of the applicable Final Terms and any applicable Supplemental Trust Deed are available for viewing at, and copies may be obtained from, Investec Bank plc, 2 Gresham Street, London EC2V 7QP, or from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB save that, if this Note 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, the applicable Final Terms and any applicable Supplemental Trust Deed will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Trustee or (as the case may be) the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms which are applicable to them, and are deemed to have notice of all the provisions of the Agency Agreement. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and *provided that*, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. **FORM, DENOMINATION AND TITLE**

(a) *Form*

The Notes are in bearer form, registered form or uncertificated registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s).

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, a Dual Currency Redemption Note or a combination of any of the foregoing, depending upon the Redemption/ Payment Basis shown in the applicable Final Terms.

This Note may be an Unsecured Note or a Secured Note, depending on the Security Status shown in the applicable Final Terms.

(b) *Denomination*

The aggregate principal amount and denomination of the Notes will be specified in the applicable Final Terms.

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes or Uncertificated Registered Notes and vice versa.

(c) *Title*

(i) *Bearer Notes and Registered Notes*

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, any Agent and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Principal Paying Agent and the Trustee.

(ii) *Uncertificated Registered Notes*

The Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. Title to the Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular number of Uncertificated Registered Notes shall be treated by the Issuer and the CREST Registrar as the holder of such number of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly), and (ii) none of the Issuer and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provisions of these Conditions as amended in accordance with the applicable Final Terms shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the applicable Final Terms, so long as the Uncertificated Registered Notes are participating securities, (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the United Kingdom, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the Regulations, and (C) for the avoidance of doubt, the Conditions and the applicable Final Terms in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the Regulations and the relevant Operator (as such term is used in the Regulations) is CRESTCo. Limited or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the Regulations. Any reference herein to the "**Operator**" shall, whenever the

context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 13 (*Notices*).

Except in the limited circumstances provided in the Trust Deed, Notes in definitive registered form will not be issued, either initially or in exchange for an Uncertificated Registered Note.

2. TRANSFERS OF REGISTERED NOTES

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) *Transfers of Registered Notes in definitive form*

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 (*Register and Transfer of Registered Notes*) to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(d) *Exchanges and transfers of Registered Notes generally*

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3. **STATUS OF THE NOTES**

The Notes and the relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3A (*Security*)) unsecured obligations of the Issuer that rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) at least equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3A. **SECURITY**

If the applicable Final Terms specify that a Series is a Series of Secured Notes, then such Notes shall have the benefit of security granted by the Issuer over a pool (the "**Collateral Pool**") of certain Posted Collateral and other Secured Assets, as specified in the applicable Final Terms and the Supplemental Trust Deed relating to such Series, in favour of the Trustee for the benefit of itself and the Noteholders, Receiptholders and Couponholders to secure its obligations under the Notes, Receipts and Coupons (if any) in respect of such Series and any other Series of Secured Notes which are or will be secured by the same Collateral Pool (each a "**Related Covered Series**" and, together with such other Series of Secured Notes, the "**Covered Series**").

Any such security shall be created by a Supplemental Trust Deed substantially in the form scheduled to the Principal Trust Deed, with such amendments as the Issuer and the Trustee may agree from time to time. A Collateral Pool may secure the Issuer's obligations in respect of a single Series of Secured Notes or may be available to secure other Series of Secured Notes, if so specified in the applicable Final Terms and the relevant Supplemental Trust Deed.

Pursuant to the terms of the Trust Deed, the Posted Collateral in relation to all Covered Series in respect of a single Collateral Pool and the Exposure under such Covered Series will be required to be valued by the Valuation Agent on the Valuation Dates specified in the applicable Final Terms and the Supplemental Trust Deed and the Issuer may be required to post further Eligible Collateral or be entitled to request the return of any Posted Collateral based on such valuations. In addition, subject to the detailed provisions of the Trust Deed, the Issuer may be entitled to substitute Posted Collateral with other Eligible Collateral. The applicable Final Terms and the Supplemental Trust Deed may specify a Maximum Percentage in relation to any item(s) of Eligible Collateral, in which case the Issuer shall not be entitled to post such item(s) of Eligible Collateral to a Collateral Pool to the extent that it would result in the Value (as determined by the Valuation Agent) of such item(s) of Eligible Collateral, expressed as a percentage of the total Value (as determined by the Valuation Agent) of Posted Collateral in relation to such Collateral Pool, exceeding such Maximum Percentage. In addition, to the extent

that the Value on a Valuation Date of any item(s) of Posted Collateral, expressed as a percentage of the total Value of Posted Collateral for such Collateral Pool, exceeds the applicable Maximum Percentage, the Issuer will be required to substitute some or all of such items of Posted Collateral with other Eligible Collateral so that such Maximum Percentage is not exceeded.

The Supplemental Trust Deed relating to a Collateral Pool (and the Final Terms of each Series of Secured Notes that is a Covered Series in relation to such Collateral Pool) shall specify (a) whether the Collateral Pool is to secure one Series of Secured Notes only or may secure more than one Series, (b) the Eligible Collateral and related Valuation Percentages, (c) the Maximum Percentage relating to each item of Eligible Collateral, (d) the Valuation Dates, (e) the Eligible Currency, (f) the Minimum Transfer Amount and (g) the Independent Amount (if any).

The Security in relation to the Collateral Pool of any Covered Series shall become immediately enforceable following an Event of Default (as defined below) in relation to such Covered Series, upon the Trustee giving notice to the Issuer pursuant to Condition 9 (*Events of Default*).

In the event that the Security created by the Trust Deed in relation to the Collateral Pool of any Covered Series becomes enforceable as provided in these Conditions and the Trust Deed, the Trustee may at its discretion, and if so requested by holders of at least one quarter in nominal amount of the Notes of such Covered Series then outstanding or if so directed by an Extraordinary Resolution of the Noteholders of such Covered Series shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) enforce the Security, provided, however, that the Trustee shall not be required to take any action that would involve the Trustee in any personal liability or which may be contrary to applicable laws and/or regulations. In each case, the Trustee may act without any liability as to the consequence of such action and without having regard to the effect of such action on any individual Noteholders, Receiptholders or Couponholders.

Following any enforcement of the Security in relation to the Collateral Pool of any Covered Series, the proceeds from the Secured Assets shall be held by the Trustee upon trust to be applied in the following order of priority: (a) in and towards payment of all amounts due to the Trustee, any appointee and/or any receiver in relation to such Covered Series and any Related Covered Series, together with accrued interest, (b) in and towards payment of all amounts of principal and interest due but unpaid to the Noteholders and any Receiptholders and Couponholders of such Covered Series and any Related Covered Series on a pari passu and pro rata basis according to the amount due to be paid to each Noteholder, Receiptholder and Couponholder and (c) the balance (if any) to the Issuer.

4. **INTEREST**

(a) *Interest on Fixed Rate Notes*

Unless otherwise specified in the applicable Final Terms, each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the Fixed Rate Notes and will be paid to Clearstream, Luxembourg and

Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount.

If the Notes are in definitive form except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Unless otherwise specified in the applicable Final Terms, in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date. Except in the case of Notes in definitive form where Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, the full nominal amount outstanding of the Fixed Rate Notes; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" has the meaning given to it in Condition 4(b) (*Interest on Floating Rate Notes*).

In these Conditions:

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

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) *Interest on Floating Rate Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes is represented by a Global Note held on behalf of Clearstream, Luxembourg and/or Euroclear, interest will be calculated on the full nominal amount outstanding of the relevant Notes and will be paid to Clearstream, Luxembourg and Euroclear for distribution by them to entitled accountholders in accordance with their usual rules and operating procedures. In respect of each definitive Floating Rate Note, interest will be calculated on its outstanding nominal amount.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a

Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions,

"Business Day" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day.

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

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

(ii) *Rate of Interest*

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

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), **"ISDA Rate"** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **"ISDA Definitions"**) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;

- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed zero.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest

Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note the aggregate outstanding nominal amount of the Notes; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (1) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (2) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
- (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.
- (ii) if "Actual/Actual – ISDA" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (iii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iv) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (vi) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vii) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (viii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified promptly to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (and in any event no later than the first day of the relevant Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Calculation Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 4(b)(i) or Condition 4(b)(ii) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (iv) above, the Trustee or its agent shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee or its agent shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or, if applicable, the Trustee, shall (in the absence of wilful default, bad faith and manifest error) be binding on the Issuer,

the Principal Paying Agent, the Calculation Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, or the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *Accrual of interest*

Each Note (or in the case of redemption of only a Relevant Portion of a Note, that Relevant Portion only of such Note) will cease to bear interest (if any) from the date for its redemption or from the relevant Credit Event Notice Date (in the case of Notes linked to one or more Credit Linked Shares), unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

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

"Interest Accrual Period" means the period from (and including) the Interest Commencement Date up to (but excluding) the first Interest Date or, as the case may be, the period from (and including) one Interest Date up to (but excluding) the next Interest Date; and

"Interest Date" means any date on which interest is, or (but for this Condition 4(d)) would be, payable pursuant to this Condition 4.

5. PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 07 (*Taxation*).

(b) *Presentation of definitive Bearer Notes, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against

presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon *provided that* such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding

Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) *Payments in respect of Global Notes in bearer form*

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if a holder does not have a Designated Account, payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary

by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

Neither the Issuer nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) *Payments in respect of Uncertificated Registered Notes*

The Issuer shall pay or cause to be paid payments of principal in respect of Uncertificated Registered Notes to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator) for value on the Maturity Date or Automatic Early Redemption Date, as the case may be, such payment to be made in accordance with the rules of the Operator.

Payments of interest (if any) in respect of Uncertificated Registered Notes will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Noteholder. Each of the persons shown in the Operator register of corporate securities as the holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(f) *General provisions applicable to payments in respect of Notes held in Euroclear and/or Clearstream, Luxembourg*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer, or to the order of, the holder of such Global Note.

(g) *U.S. Paying Agent*

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the

United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(h) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (2) in relation to any sum payable in euro, a TARGET Settlement Day (as defined in Condition 4 (*Interest*) above).

(i) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) in relation to Notes redeemable in instalments, the Instalment Amounts; and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with

respect to interest under Condition 7 (*Taxation*) and any Arrears of Interest (if applicable).

6. **REDEMPTION AND PURCHASE**

The Issuer shall not be at liberty to redeem or purchase the Notes, except in accordance with the following provisions of this Condition.

(a) *General – Linkage to Preference Shares*

Each Note will be linked to the Class or Classes of Preference Shares specified in the applicable Final Terms, with each such Class having the Preference Share Weighting specified therein. The portion of each Note linked to a particular Class of Preference Shares (the "**Relevant Portion**") shall be a percentage portion of its Specified Denomination equal to the Preference Share Weighting of such Class. Each Relevant Portion of a Note shall be redeemed in accordance with this Condition 6 (*Redemption and Purchase*), which shall apply separately to each Relevant Portion in the same manner as if each Relevant Portion were a separate Note.

(b) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, the Relevant Portion of each Note in relation to each Class of Preference Shares will be redeemed by the Issuer at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date; provided, however, that, (i) payment of the Final Redemption Amount shall be made to Noteholders on the third Business Day following the Maturity Date; and (ii) if the payment of the redemption price in respect of any Class of Preference Shares has been postponed as a result of (A) the occurrence of a Disrupted Day (as defined in the Articles of the issuer of the Preference Shares), (B) the Final Redemption Date not being a Business Day (as such terms are defined in the relevant Preference Share Confirmation) or (C) the giving of a Credit Event Notice (as defined in the Articles of the issuer of the Preference Shares), then the Relevant Portion of each Note relating to such Class will be redeemed by the Issuer on the date that is three Business Days following the date on which the relevant Credit Linked Share is redeemed by the issuer thereof and no additional amounts shall be payable in respect of such Relevant Portion on account of such postponement, unless otherwise specified in the applicable Final Terms.

In these Conditions:

"**Final Redemption Amount**" means in relation to the Relevant Portion of a Note of a Specified Denomination linked to a particular Class of Preference Shares, unless otherwise specified in the applicable Final Terms, subject to Condition 6(l) (*Rounding*), an amount calculated as follows:

$$\text{Relevant Portion} \times \text{Specified Denomination} \times \frac{\text{Final Value}}{\text{Initial Value}}$$

where:

"**Final Value**" means the value of one Preference Share of such Class on the redemption date of the Relevant Portion of the Note as determined by the Calculation Agent;

"**Initial Value**" means the initial value of one Preference Share of such Class, being its issue price, as specified in the relevant Preference Share Confirmation; and

"**Relevant Portion**" means the Relevant Portion of the Note, expressed as a percentage, linked to such Class of Preference Shares.

(c) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note or a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and *provided that* each of the following is satisfied:

- (X) such obligation referred to above, cannot be avoided by the Issuer taking reasonable measures available to it; and
- (Y) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or give effect to such treatment, as the case may be, were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts stating that the obligation or treatment, as the case may be, referred to in this Condition 6(c) cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which case it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Each Relevant Portion of the Notes redeemed pursuant to this Condition 6(c) will be redeemed at its Final Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(d) *Redemption at the option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not less than 15 nor more than 30 days' notice to the Trustee, the Principal Paying Agent (and, in the case of a redemption of Registered Notes and Uncertificated Registered Notes, the Registrar or the CREST Registrar, as applicable), the competent authority or stock exchange on which the Notes are listed, if any (if required by such competent authority or stock exchange) and, in accordance with Condition 13 (*Notices*), the Noteholders (which notices shall be irrevocable), redeem each Relevant Portion of all (but not only some) of the Notes then outstanding on the Optional Redemption Date at its Final Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon expiry of such notice the Issuer shall be bound to redeem each Relevant Portion of the Notes in whole (but not in part).

(e) *Automatic Early Redemption of Preference Shares*

If any Class of Preference Shares is redeemed prior to the Maturity Date (A) as a result of an Automatic Early Redemption Event (as defined in the Articles of the issuer of the Preference Shares), or (B) as a result of the giving of a Credit Event Notice, the Issuer shall promptly give notice thereof to the Noteholders (with a copy to the Trustee) and shall redeem the Relevant Portion of the Notes relating to such Class of Preference Shares in whole (but not in part) on the relevant Automatic Early Redemption Date (as defined in the Articles of the issuer of the Preference Shares) or (as the case may be) Credit Event Redemption Date (as defined in the Articles of the issuer of the Preference Shares) at its Final Redemption Amount, provided that the Issuer shall pay such Final Redemption Amount to Noteholders on the day that is three Business Days following such Automatic Early Redemption Date. or (as the case may be) Credit Event Redemption Date.

(f) *Preference Share Disruption Events*

In relation to any Class of Preference Shares, if at any time on or after the Issue Date and prior to the Maturity Date:

- (i) such Class of Preference Shares is redeemed other than as a result of an Automatic Early Redemption Event or the giving of a Credit Event Notice;
- (ii) the issuer of such Class of Preference Shares becomes insolvent or a liquidator or receiver is appointed in respect thereof; and/or
- (iii) the rights attaching to such Class of Preference Shares are varied such that - they no longer reflect the economic intention of the Relevant Portion of the Notes (and the Issuer has delivered to the Trustee a certificate signed by two directors of the Issuer certifying the same) (each a "**Preference Share Disruption Event**"),

the Issuer shall promptly give notice thereof to the Noteholders (with a copy to the Trustee) and shall redeem the Relevant Portion of the Notes relating to such Class of Preference Shares at its Final Redemption Amount (a) in the case of (i) above, on the date on which such Class of Preference Shares is redeemed by the issuer thereof and (b) in the case of (ii) and (iii) above, as soon as practicable after the occurrence of the relevant Preference Share Disruption Event provided, however, that the Issuer shall pay the Final Redemption Amount in respect of the Relevant Portion of the Notes relating to such Class of Preference Shares to Noteholders on the day that is three Business Days following such date of early redemption.

(g) *Correction of Final Redemption Amount*

If the Redemption Price of any Class of Preference Shares is corrected following an early redemption date or final redemption date of such Class of Preference Shares and the correction is notified to holders of such Class of Preference Shares within three Business Days after such early redemption date or final redemption date, as the case may be, the Calculation Agent shall adjust its calculation of the Final Redemption Amount in respect of the Relevant Portion of the Notes relating to such Class of Preference Shares accordingly.

(h) *Instalments*

Instalment Notes will be redeemed, in relation to each Relevant Portion, in the Instalment Amounts and on the Instalment Dates at the Final Redemption Amount relating to such Relevant Portion.

(i) *Purchases*

The Issuer or any of its subsidiaries, any holding company of the Issuer or any other subsidiary of any such holding company, may (subject as provided above) at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in any manner or at any price.

(j) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled (other than Uncertificated Registered Notes) (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold. Notes purchased by the Issuer or any of its subsidiaries, any holding company of the Issuer or any other subsidiary or any such holding company may be held or resold or surrendered for cancellation.

(k) *Valuation of Preference Shares*

The Calculation Agent, acting in good faith, shall take into account all relevant facts and circumstances in determining the value of any Class of Preference Shares where required to do so for purposes of these Conditions (and whether at their maturity or otherwise), including, but not limited to, the financial standing of the issuer of such Class of Preference Shares and its ability to pay any amounts falling due from time to time thereunder (which ability may be presumed in circumstances where the relevant Class of Preference Shares has been redeemed in full). Any calculation made by the Calculation Agent pursuant to this Condition 6(k) shall, in the absence of wilful default, bad faith and manifest error, be binding on the Issuer, the Trustee and the Noteholders, Couponholders and Receiptholders.

(l) *Rounding*

In respect of the calculation of the Final Redemption Amount in relation to any Relevant Portion of the Notes, the Calculation Agent shall apply such rounding as is specified in the applicable Final Terms in rounding any values determined or calculated in connection therewith, in each case upwards or downwards to the degree specified in the applicable Final Terms.

7. TAXATION

7A. TAXATION — NO GROSS UP

This Condition 7A will be applicable to all issues of Notes unless it is specified in the applicable Final Terms that Condition 7B (*Taxation - Gross Up*) is applicable.

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction

unless such withholding or deduction is required by law. In such event, the Issuer shall not be required to pay to holders of Notes, Receipts and/or Coupons any additional amounts in connection with such withholding or deduction.

7B. TAXATION - GROSS UP

This Condition 7B will only be applicable to such issue of Notes where it is specified in the applicable Final Terms that such Condition 7B (*Taxation - Gross Up*) is applicable.

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by, or by a third party on behalf of, a holder who (i) could avoid such withholding or deduction by complying, or procuring that any third party complies with, any statutory or procedural requirements (including, without limitation, the provision of information) or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or (ii) is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- (b) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(h) (*Payments - Payment Day*)) in the place of surrender; or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who is able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

In these Conditions:

"**Tax Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and

the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, the Trustee or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

Any reference in these Conditions to principal or interest shall be deemed also to refer to any additional amounts which may be payable under this Condition or any undertakings given in addition thereto or in substitution thereof pursuant to the Trust Deed.

Notwithstanding any other provision in these Conditions, the Issuer, and the Paying Agents, shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). The Issuer will have no obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding.

8. **PRESCRIPTION**

The Notes (whether in bearer, uncertificated registered or certificated registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5 (*Payments*) or any Talon which would be void pursuant to Condition 5 (*Payments*).

9. **EVENTS OF DEFAULT**

(a) *Events of Default*

If any of the following events (each an "**Event of Default**") occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one quarter in nominal amount of the Notes then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction), give notice to the Issuer (with a copy to the Custodian, in the case of any Secured Notes) that the Notes are, and they shall immediately become, due and payable at their Final Redemption Amount (determined in accordance with Condition 6(b) (*Redemption and Purchase - Redemption at maturity*)) together (if applicable) with accrued interest (if any) in respect of such Notes shall become enforceable:

- (i) if default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (ii) if the Notes are Secured Notes, default is made in the payment of any principal, premium or interest due in respect of any Related Covered Series or any of them and the default continues for a period of 7 days in the case of principal or premium or 14 days in the case of interest; or
- (iii) if the Notes are Secured Notes:
 - (A) the Issuer fails to make, when due, any transfer of Eligible Collateral required to be made by it in relation to the related Collateral Pool and that failure continues for 7 days after notice of such failure is given to it by the Trustee; or

- (B) the Issuer fails to perform any other of its obligations under the Trust Deed in relation to the Collateral Pool relating to such Notes and such failure continues for 45 days after notice of such failure is given to it by the Trustee; or
- (iv) if an administrator is appointed in respect of the Issuer or any order is made or an effective resolution is passed for the winding up or dissolution of the Issuer and any resulting administration, winding up or dissolution process remains undismissed for 45 days (save for the purposes of reorganisation, reconstruction, amalgamation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Noteholders).

(b) *Enforcement*

- (i) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding and (b) it shall have been indemnified, secured and/or prefunded to its satisfaction.
- (ii) No Noteholder shall be entitled to institute proceedings directly against the Issuer or prove in the winding up of the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing, in which event any Noteholder may, on giving an indemnity, security and/or prefunding satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove in the winding up of the Issuer to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes and/or the Trust Deed.

10. **REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. **AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, *provided that*:

- (a) there will at all times be a Principal Paying Agent, a Paying Agent, a Transfer Agent and a Registrar or a CREST Registrar (as the case may be);

- (b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes, Receipts and Coupons) or the Registrar (in the case of Registered Notes) or the CREST Registrar (in the case of Uncertificated Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (c) here will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (d) so long as there are any Secured Notes which remain outstanding, there will be a Custodian and a Verification Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(g) (*Payments - U.S. Paying Agent*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

- (a) *Notices in respect of Bearer Notes and Registered Notes*

All notices regarding Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily national newspaper of general circulation in the United Kingdom and (ii) or as otherwise required by any stock exchange or any other competent authority by or on which the Bearer Notes are for the time being listed. It is expected that any such publication in a newspaper will, if required, be made in the *Financial Times* in London. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to be given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/ or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/ or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

(b) *Notices in respect of Uncertificated Registered Notes*

All notices regarding Uncertificated Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Uncertificated Registered Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

14. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. of the nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including, but not limited to, modifying the date of maturity of the Notes or any date for payment

of principal or interest thereon, reducing or cancelling the amount of principal or the Rate of Interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons, the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than 90 per cent. of the principal amount of the Notes for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company, being a subsidiary of the Issuer, subject to (a) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (b) compliance with certain other conditions set out in the Trust Deed.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND TRUSTEE'S RETIREMENT AND REMOVAL

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified, secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of its subsidiaries and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and/or any of its subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than 60 days' prior written notice to the Issuer without giving any reason and without being responsible for any Expenses (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer shall use all reasonable endeavours to procure that a new trustee is appointed as soon as reasonably practicable. If no appointment has become effective within 60 days of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation. No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW

Each of the Trust Deed, the Agency Agreement, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

DESCRIPTION OF THE PREFERENCE SHARES

General

In respect of each Series of Notes, Zebra Capital II Limited (the "**Company**"), a special purpose vehicle incorporated in the Cayman Islands (or such other issuer as is specified in applicable the Final Terms) will issue one or more preference shares (the "**Preference Shares**"). Each issuance of Preference Shares shall be designated as a specified class (a "**Class**"). The Final Redemption Amount of each Series of Notes will be linked to the percentage change in value of the relevant Class of Preference Shares as more fully set out in Condition 6(a) (*Redemption and Purchase - Redemption at maturity*). The redemption price of the Preference Shares (the "**Redemption Price**") will in turn be linked to the price or performance of a share, a basket of shares, an index, a basket of indices or another variable, as set out in a confirmation relating to the relevant Preference Shares (a "**Preference Share Confirmation**"). The relevant Preference Share Confirmation will be appended as Part C to the Final Terms of each Series of Notes.

The terms and conditions of each Class of Preference Shares will be made up of three components:

- (i) the general terms and conditions of the Memorandum and Articles of Association of the Company;
- (ii) such additional terms and conditions as are specified in the relevant Preference Share Confirmation to apply to such Class of Preference Shares depending on whether such Preference Shares are Single Share Linked Shares, Basket Share Linked Shares, Single Index Linked Shares or Basket Index Linked Shares, and which additional terms and conditions are appended to the Memorandum and Articles of Association of the Company; and
- (iii) a Preference Share Confirmation in respect of such Class of Preference Shares.

A summary of certain of the general terms and conditions of the Memorandum and Articles of Association of the Company is set out below, as are the additional terms and conditions and forms of Preference Share Confirmations based on the specific type of Preference Share issued (being any of Single Share Linked Shares, Basket Share Linked Shares, Single Index Linked Shares or Basket Index Linked Shares).

The Company has in addition issued ordinary shares for cash consideration. The subscription proceeds of the same, together with the subscription proceeds of the Preference Shares issued by it and certain fees chargeable by it in connection with its issuance of Preference Shares, are expected to cover all redemption amounts payable by it under the Preferences Shares. In addition, in order to cover any unexpected shortfalls in available cash required to meet its obligations under the Preference Shares and its obligations generally, the Company will have the benefit of an overdraft facility with Investec Bank plc.

Summary of the General Terms Relating To Preference Shares

The following is a summary description of certain rights attaching to the Preference Shares of each Class which are set out in full in, are subject to, and are qualified in their entirety by reference to, the Company's Memorandum and Articles of Association and, in relation to each Class of Preference Shares, the Preference Share Confirmation relating thereto (together, the "**Articles**").

The Company

The issuer of the Preference Shares is Zebra Capital II Limited, a special purpose vehicle with its registered office at PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands (or such other issuer as is specified in the applicable Final Terms).

Voting

The holder of a Preference Share shall not (in respect of such Preference Share) have the right to receive notice of, attend at or vote as a shareholder at any general meeting of the Company, but may vote at a separate Class meeting convened in accordance with the Articles.

Variation of Share Rights

The rights attached to any Class of Preference Shares (unless otherwise provided by the terms of issue of the Preference Shares of that Class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-quarters of the issued Preference Shares of that Class or with the sanction of a Special Resolution (as defined in the Articles) passed at a separate general meeting of the holders of the Preference Shares of that Class. For such purposes the Directors may treat all the Classes of Preference Shares as forming one class if they consider that all such Classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate classes. The special rights attached to each Class of Preference Shares shall be deemed not to be varied by any adjustment made to the terms and conditions of such Class pursuant to, or as contemplated by, the Preference Share Confirmation relating to such Class. No such variation shall entitle the holders of any Preference Shares to receive notice of, attend or vote as a shareholder at any general meeting of the Company.

Dividends

Preference Shares shall carry no right to receive dividends.

Tax Gross-Up

The Company shall make all payments to be made by it under the Preference Shares without any tax deduction, unless a tax deduction is required by law. If a tax deduction is required by law to be made by the Company, the amount of the relevant payment under the Preference Shares shall be increased to an amount which (after making any such tax deduction) leaves an amount equal to the payment which would have been due if no tax deduction had been required.

Allotment and Issue of Preference Shares

The directors of the Company (the "**Directors**") may from time to time allot and issue Preference Shares of any Class with such designation, redemption provisions and/or other rights, privileges, limitations and restrictions as shall be set forth in a Preference Share Confirmation and approved by resolution of the Directors. The terms upon which, and the issue price per Share at which, issues of Preference Shares shall be effected and the time of each such issue shall be determined by the Directors.

On or before the allotment of any Preference Share, the Directors shall resolve the Class to which such Preference Share shall be designated. Each Class shall be specifically identified. The Directors may re-designate any Preference Share as part of another Class.

The Directors shall allot and issue Preference Shares of a particular Class at such issue price, on such issue date(s) and/or on such other terms and conditions as are set out in the Preference Share Confirmation relating to such Class.

Redemption of Preference Shares

Subject to the provisions of the Companies Law (2011 Revision) of the Cayman Islands and as provided in the Memorandum and Articles of Association of the Company and except as otherwise provided in the Preference Share Confirmation relating to a particular Class of Preference Shares, the Company shall on any Redemption Date of the relevant Class of Preference Shares, upon receipt by it or its duly authorised agent of the relevant share certificate or share certificates (if any such certificate(s) were issued and which requirement may be waived by the Directors), redeem such Preference Shares for an amount equal to the Redemption Price thereof determined in accordance with the Preference Share Confirmation relating to such Class of Preference Shares.

The redemption of Preference Shares of a particular Class shall take effect on such Business Days as the Directors may provide in the Preference Share Confirmation relating to such Class at the Redemption Price specified in, and as calculated in accordance with, such Preference Share Confirmation.

Additional Terms and Conditions of Certain Types of Preference Shares

The Preference Share Confirmations in respect of the Preference Shares may designate any Class of Preference Shares as being: Single Share Linked Shares, in which case the additional terms and conditions set out in the section entitled (1)(A) (Additional Terms and Conditions of Preference Shares linked to a Single Share) will apply; Basket Share Linked Shares, in which case the additional terms and conditions set out in the section entitled (1)(B) (Additional Terms and Conditions of Preference Shares linked to a Basket of Shares) will apply; Single Index Linked Shares, in which case the additional terms and conditions set out in the section entitled (2)(A) (Additional Terms and Conditions of Preference Shares linked to a Single Index) will apply; or Basket Index Linked Shares, in which case the additional terms and conditions set out in the section entitled (2)(B) (Additional Terms and Conditions of Preference Shares linked to a Basket of Indices) will apply.

In addition, any Class of Preference Shares may be designated as Credit Linked Shares in the Preference Share Confirmation, in which case the additional terms and conditions set out in the section entitled (3) (Credit Linked Shares) will also apply.

(1) Preference Shares linked to a Single Share or a Basket of Shares

(1)(A) Additional Terms and Conditions of Preference Shares linked to a Single Share

The terms and conditions applicable to Preference Shares linked to a single share ("**Single Share Linked Shares**") shall be supplemented by the following additional terms and conditions.

1. Definitions

For the purposes of the terms and conditions of the Preference Shares, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Change in Law, an Insolvency Filing, a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the relevant Preference Share Confirmation and as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Amount" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, (a) an amount specified as such in the applicable Preference Share Confirmation or, if no such amount is specified, (b) an amount per Preference Share equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation, subject in each case to adjustment in accordance with paragraph 2 below.

"Automatic Early Redemption Event" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, (unless otherwise specified in the applicable Preference Share Confirmation) that the Price per Share is, as specified in the applicable Preference Share Confirmation, (i) **"greater than"**, (ii) **"greater than or equal to"**, (iii) **"less than"** or (iv) **"less than or equal to"** the Automatic Early Redemption Price, as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Price" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, the Price per Share specified as such or otherwise determined in the applicable Preference Share Confirmation.

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, the rate specified as such in the applicable Preference Share Confirmation.

"Automatic Early Redemption Valuation Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with paragraph 2 below.

"Averaging Dates" means each of the dates set forth in the Preference Share Confirmation, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Change in Law" means that on or after the Issue Date (or as otherwise set forth in the relevant Preference Share Confirmation) (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 Preference Share Calculation Agent determines that (X) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of the Shares, or (Y) the Issuer and/or any of its affiliates will incur a materially increased cost in holding, acquiring or disposing of the Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"De-listing" means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not

immediately re-listed, re-traded or re-quoted on 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) and such Shares are no longer listed on an Exchange acceptable to the Preference Share Calculation Agent.

"Disrupted Day" means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Preference Share Calculation Agent.

"Early Closure" means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (ii) 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, all as determined by the Preference Share Calculation Agent.

"Exchange" means the Exchange specified in the Preference Share Confirmation or otherwise the stock exchange on which the Shares are, in the determination of the Preference Share Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time, as determined by the Preference Share Calculation Agent.

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

"Extraordinary Dividend" means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Preference Share Calculation Agent.

"Final Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the Preference Share Confirmation, the arithmetic mean of the prices of one Share at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the Preference Share Confirmation), as determined by the Preference Share Calculation Agent.

"Hedging Disruption" means that the Issuer and/or any of its affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk in respect of the Issuer performing its obligations with respect

to the Notes, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

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

"Initial Share Price" means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Preference Share Confirmation), as determined by the Preference Share Calculation Agent.

"Insolvency" means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them, all as determined by the Preference Share Calculation Agent.

"Insolvency Filing" means that the Preference Share Calculation Agent determines that the Share Issuer has instituted or has had 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.

"Issuer" means Investec Bank plc, as issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Preference Share Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, all as determined by the Preference Share Calculation Agent.

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

"Merger Event" means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares 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 Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding 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 may be specified in the Preference Share Confirmation), all as determined by the Preference Share Calculation Agent.

"**Nationalisation**" means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, as determined by the Preference Share Calculation Agent.

"**New Shares**" means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on 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 of state of the European Union) or on another exchange acceptable to the Preference Share Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations, all as determined by the Preference Share Calculation Agent.

"**Notes**" means, in respect of any Class of Preference Share, the notes issued by the Issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme that are linked to such Class of Preference Shares.

"**Notional Hedge Termination Costs**" means, in respect of each Preference Share and as of an early redemption date, a portion of the fair market value of such Preference Share that is equal to the portion that (i) any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes on such date would bear to (ii) the fair market value of such Notes on such early redemption date if no Notional Hedge Termination Costs were deducted from the fair market value of the Preference Shares, all as determined by the Preference Share Calculation Agent.

"**Observation Date**" means each date, if any, specified as such in the Preference Share Confirmation, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"**Observation Period**" has the meaning given to it in the Preference Share Confirmation.

"**Other Consideration**" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

"**Potential Adjustment Event**" means any of the following: a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar

issue; a distribution, issue or dividend to existing holders of the Shares of (A) Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer 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 Preference Share Calculation Agent; an Extraordinary Dividend; a call by the Share Issuer in respect of Shares that are not fully paid; a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to the Share Issuer, an event that results in any shareholder rights 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 Preference Share Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (*provided that* any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or any other event that may have a diluting or concentrative effect on the theoretical value of the Shares, all as determined by the Preference Share Calculation Agent.

"Preference Share Currency" means the currency in which the relevant Preference Shares are denominated.

"Price" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **"Constant Monitoring"** is specified as being applicable in the Preference Share Confirmation, at any given time on such Exchange Business Day or (ii) if **"Valuation Time Only"** is specified as being applicable in the Preference Share Confirmation, at the Valuation Time on such Exchange Business Day, all as determined by the Preference Share Calculation Agent.

"Related Exchange" means each exchange or quotation system where trading has a material effect (as determined by the Preference Share Calculation Agent) on the overall market for futures or options contracts relating to the Shares, or such other options or futures exchange(s) as the Company shall (acting on the instructions of the Preference Share Calculation Agent) select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Shares has temporarily relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time" means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the 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 Trading Day" means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Share Currency" has the meaning given to it in the Preference Share Confirmation.

"**Share Issuer**" has the meaning given to it in the Preference Share Confirmation.

"**Shares**" has the meaning given to it in the Preference Share Confirmation.

"**Strike Date**" means the date (if any) specified as such in the Preference Share Confirmation, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"**Strike Price**" means the price (if any) specified as such in the Preference Share Confirmation.

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

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Preference Share Calculation Agent are actually purchased or otherwise obtained (as determined by the Preference Share Calculation Agent).

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange, all as determined by the Preference Share Calculation Agent.

"**Valuation Date**" means the date (if any) specified as such in the Preference Share Confirmation or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"**Valuation Time**" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the relevant Preference Share Confirmation or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date. If the 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 (subject to paragraph 2 below) the Valuation Time shall be such actual closing time.

2. **Disrupted Days**

- (i) If the Preference Share Calculation Agent determines that the Strike Date, the Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, 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 original date that, but for the determination by the Preference Share Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation

Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
 - (b) the Preference Share Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.
- (ii) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Preference Share Confirmation in relation to "Averaging Date Market Disruption" is:
- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Share Price *provided that*, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then sub-paragraph (i) above will apply for purposes of determining the relevant price on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
 - (2) "**Postponement**", then sub-paragraph (i) above will apply for purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Preference Shares; or
 - (3) "**Modified Postponement**", then:
 - (aa) 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 Scheduled Final Averaging Date, then (1) 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 relation to the relevant Share; and (2) the Preference Share Calculation Agent shall determine the relevant level for that Averaging Date in accordance with sub-paragraph (i) above; and
 - (bb) "**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.

Notwithstanding the provisions of any term or condition of the Preference Shares, if the Preference Share Calculation Agent determines that a Disrupted Day has occurred on

the Valuation Date and/or on any Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Final Redemption Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the Preference Share Confirmation) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this paragraph 2.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares (copied to the Company) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Preference Shares.

3. **Adjustments**

(i) Adjustments

If the Preference Share Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Preference Share Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the terms and conditions of the Preference Shares as the Preference Share Calculation Agent 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 dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Preference Share Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such adjustment(s) and determinations to the Company and holders of the Preference Shares.

(ii) Consequences of a Merger Event

If the Preference Share Calculation Agent determines that a Merger Event has occurred, the Company shall (if so instructed by the Preference Share Calculation Agent) (i) redeem each Preference Share at its fair market value less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) as at the Merger Date on such date as the Company shall (acting on the instructions of the Preference Share Calculation Agent) notify to holders of the Preference Shares; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Preference Shares as the Preference Share Calculation Agent determines appropriate to account for the economic effect on the Preference

Shares of such Merger Event (*provided that* no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Preference Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the "**Shares**" and the "**Share Issuer**", respectively, and if the Preference Share Calculation Agent determines to be appropriate, the Company will adjust any relevant terms of the Preference Shares as it may determine.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such redemption, adjustment or deemed change to holders of the Preference Shares (copied to the Company).

(iii) Consequences of a Tender Offer

If the Preference Share Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Company shall (if so instructed by the Preference Share Calculation Agent) (i) redeem each Preference Share at its fair market value less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) as at the Tender Offer Date on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Preference Shares as the Preference Share Calculation Agent determines appropriate to account for the economic effect on the Preference Shares of such Tender Offer (*provided that* no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Preference Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such redemption or adjustment to holders of the Preference Shares (copied to the Company).

(iv) Nationalisation, Insolvency or De-listing

If in respect of the Shares or the Share Issuer the Preference Share Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Company shall (if so instructed by the Preference Share Calculation Agent) (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for the Nationalisation, Insolvency or Delisting, as the case may be, on the effective date of that adjustment (in each case as determined by the Preference Share Calculation Agent) or (ii) redeem each Preference Share at its fair market value as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing less any Notional

Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of any redemption of the Preference Shares, determination or adjustment pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

(v) Change of Exchange

If the Exchange is changed, the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such modification(s) to holders of the Preference Shares (copied to the Company).

(vi) Price Correction

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Preference Shares is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period specified in the Preference Share Confirmation) after the original publication, the Preference Share Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Company will make such adjustments to the terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such correction.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such adjustment(s) to holders of the Preference Shares (copied to the Company).

(vii) Currency

If the Preference Share Calculation Agent determines that any event occurs affecting the Preference Share Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Preference Share Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Preference Shares (including the date on which any amount is payable by the Company), the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares of any such adjustment(s) (copied to the Company).

(viii) Additional Disruption Events

If the Preference Share Calculation Agent determines that an Additional Disruption Event has occurred, the Company shall (acting on the instructions of the Preference Share Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Preference Share Calculation Agent) or (ii) redeem each Preference Share at its fair market value as at the date of redemption taking into account such Additional Disruption Event less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company shall (acting on the instructions of the Preference Share Calculation Agent) notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

(ix) Change in currency

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Company will adjust such of the terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines appropriate to preserve the economic terms of the Preference Shares. The Preference Share Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Preference Share Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency of denomination of the Preference Shares or of any payment obligation arising out of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any adjustments pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

4. **Automatic Early Redemption**

For the purposes of the Preference Shares, if "Automatic Early Redemption" is specified as being applicable in the Preference Share Confirmation, then unless previously redeemed or purchased and cancelled, if the Preference Share Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Preference Share Calculation Agent shall promptly notify the Company and the Preference Shares will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Preference Share Confirmation)

following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Company on such date upon redemption of each Preference Share shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

5. Early Redemption on Early Redemption of Notes

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled maturity date, the Company shall redeem each Preference Share at its fair market value as at the date of redemption of the Notes less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

6. Determinations by the Preference Share Calculation Agent

The Preference Share Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Preference Shares in good faith and acting in a commercially reasonable manner.

(1)(B) Additional Terms and Conditions of Preference Shares linked to a Basket of Shares

The terms and conditions applicable to Preference Shares linked to a Basket of Shares ("**Basket Share Linked Shares**") shall be supplemented by the following additional terms and conditions.

1. Definitions

For the purposes of the terms and conditions of the Preference Shares, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Change in Law, an Insolvency Filing, a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the relevant Preference Share Confirmation and as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Amount" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, (a) an amount specified as such in the applicable Preference Share Confirmation or, if no such amount is specified, (b) an amount per Preference Share equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation, subject in each case to adjustment in accordance with paragraph 2 below.

"Automatic Early Redemption Event" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, (unless otherwise specified in the applicable Preference Share Confirmation) that the Price of one or more Shares (as specified in the applicable Preference Share Confirmation) is, as specified in the applicable Preference Share Confirmation, (i) **"greater than"**, (ii) **"greater than or equal to"**, (iii) **"less than"** or (iv) **"less than or equal to"** the Automatic Early Redemption Price(s), as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Price(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, the Price(s) per Share specified as such or otherwise determined in the applicable Preference Share Confirmation.

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, the rate specified as such in the applicable Preference Share Confirmation.

"Automatic Early Redemption Valuation Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with paragraph 2 below.

"Averaging Dates" means, in respect of a Share, each of the dates set forth in the Preference Share Confirmation, if any, or if any such date is not a Scheduled Trading

Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Basket" means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Preference Share Confirmation.

"Change in Law" means that, on or after the Issue Date (or as otherwise set forth in the relevant Preference Share Confirmation) (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 Preference Share Calculation Agent determines that (X) it has become illegal for the Issuer and/or any of its affiliates to hold, acquire or dispose of any Shares, or (Y) the Issuer and/or any of its affiliates will incur a materially increased cost in holding, acquiring or disposing of any Shares and/or performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"De-listing" means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Preference Share Calculation Agent.

"Disrupted Day" means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Preference Share Calculation Agent.

"Early Closure" means, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or such Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or such Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or such Related Exchange system for execution at the Valuation Time on such Exchange Business Day, all as determined by the Preference Share Calculation Agent.

"Exchange" means, in respect of a Share, the Exchange specified for such Share in the Preference Share Confirmation or otherwise the stock exchange on which such Share is, in the determination of the Preference Share Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during

their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time, as determined by the Preference Share Calculation Agent.

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

"Extraordinary Dividend" means, in respect of a Share, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Preference Share Calculation Agent.

"Final Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the Preference Share Confirmation, the arithmetic mean of the prices of one such Share as of each Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the Preference Share Confirmation), as determined by the Preference Share Calculation Agent.

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

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

"Initial Share Price" means, in respect of a Share, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Preference Share Confirmation), as determined by the Preference Share Calculation Agent.

"Insolvency" means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them, all as determined by the Preference Share Calculation Agent.

"Insolvency Filing" means, in respect of a Share, that the Preference Share Calculation Agent determines that the relevant Share Issuer has instituted or has had 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.

"Issuer" means Investec Bank plc, as issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme.

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Preference Share Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, all as determined by the Preference Share Calculation Agent.

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

"Merger Event" means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares 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 Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding 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 may be specified in the Preference Share Confirmation), all as determined by the Preference Share Calculation Agent.

"Nationalisation" means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof, as determined by the Preference Share Calculation Agent.

"New Shares" means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Preference Share Calculation Agent and (ii) not subject to any currency exchange

controls, trading restrictions or other trading limitations, all as determined by the Preference Share Calculation Agent.

"Notes" means, in respect of any Class of Preference Share, the notes issued by the Issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme that are linked to such Class of Preference Shares.

"Notional Hedge Termination Costs" means, in respect of each Preference Share and as of an early redemption date, a portion of the fair market value of such Preference Share that is equal to the portion that (i) any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes on such date would bear to (ii) the fair market value of such Notes on such early redemption date if no Notional Hedge Termination Costs were deducted from the fair market value of the Preference Shares, all as determined by the Preference Share Calculation Agent.

"Observation Date" means each date, if any, specified as such in the Preference Share Confirmation, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Observation Period" has the meaning given to it in the Preference Share Confirmation.

"Other Consideration" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

"Potential Adjustment Event" means any of the following: a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue; a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer 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 Preference Share Calculation Agent; an Extraordinary Dividend; a call by a Share Issuer in respect of relevant Shares that are not fully paid; a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; with respect to a Share Issuer, an event that results in any shareholder rights 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 Preference Share Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (*provided that* any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or any other event that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket, all as determined by the Preference Share Calculation Agent.

"Preference Share Currency" means the currency in which the relevant Preference Shares are denominated.

"Price" means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if **"Constant Monitoring"** is specified as being applicable in the Preference Share Confirmation, at any given time on such Exchange Business Day or (ii) if **"Valuation Time Only"** is specified as being applicable in the Preference Share Confirmation, at the Valuation Time on such Exchange Business Day, all as determined by the Preference Share Calculation Agent.

"Related Exchange" means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Preference Share Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the Company shall (acting on the instructions of the Preference Share Calculation Agent) select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

"Scheduled Closing Time" means, in respect of an Exchange or a 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 Trading Day" means, in respect of a Share, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

"Share Currency" has the meaning given to it in the Preference Share Confirmation.

"Share Issuer" has the meaning given to it in the Preference Share Confirmation.

"Shares" has the meaning given to it in the Preference Share Confirmation.

"Strike Date" means the date (if any) specified as such in the Preference Share Confirmation, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Strike Price" means the price (if any) specified as such in the Preference Share Confirmation.

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

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Preference Share Calculation Agent are actually purchased or otherwise obtained (as determined by the Preference Share Calculation Agent).

"Trading Disruption" means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange, all as determined by the Preference Share Calculation Agent.

"Valuation Date" means the date (if any) specified as such in the Preference Share Confirmation or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Valuation Time" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the relevant Preference Share Confirmation or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date in relation to that Share. 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 (subject to paragraph 2 below) the Valuation Time shall be such actual closing time.

2. **Disrupted Days**

- (i) If the Preference Share Calculation Agent determines that the Strike Date, the Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, is a Disrupted Day in respect of a Share, then the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Preference Share Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date for such Share, as the case may be, is a Disrupted Day. In that case:
 - (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and
 - (b) the Preference Share Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.
- (ii) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Preference Share Confirmation in relation to "Averaging Date Market Disruption" is:
 - (1) **"Omission"**, then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant

Final Share Price *provided that*, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then sub-paragraph (i) above will apply for purposes of determining the relevant price on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

- (2) "**Postponement**", then sub-paragraph (i) above will apply for purposes of determining the relevant price on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Preference Shares; or
- (3) "**Modified Postponement**", then:
 - (aa) the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Preference Share Confirmation as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for a Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) 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 relation to the relevant Share; and (2) the Preference Share Calculation Agent shall determine the relevant level for that Averaging Date in accordance with sub-paragraph (i) above; and
 - (bb) "**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.

Notwithstanding the provisions of any other term or condition of the Preference Shares, if the Preference Share Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or on any Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Final Redemption Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period as specified in the Preference Share Confirmation) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic

Early Redemption Amount and/or any amount of interest in accordance with this paragraph 2.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice to the holders of the Preference Shares (copied to the Company) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Preference Shares.

3. Adjustments

(i) Adjustments

If the Preference Share Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Preference Share Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the terms and conditions of the Preference Shares as the Preference Share Calculation Agent 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 dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Preference Share Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

The Preference Share Calculation Agent shall give notice of such adjustment(s) and determinations to the Company and holders of the Preference Shares.

(ii) Consequences of a Merger Event

If the Preference Share Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Company shall (if so instructed by the Preference Share Calculation Agent) (i) redeem each Preference Share at its fair market value less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) as at the Merger Date on such date as the Company may notify to holders of the Preference Shares; and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Preference Shares as the Preference Share Calculation Agent determines appropriate to account for the economic effect on the Preference Shares of such Merger Event (*provided that* no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Preference Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or (iii) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as

subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "**Shares**" and the relevant "**Share Issuer**", respectively, and if the Preference Share Calculation Agent determines to be appropriate, the Company will adjust any relevant terms of the Preference Shares as the Preference Share Calculation Agent may determine.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of such redemption, adjustment or deemed change to holders of the Preference Shares (copied to the Company).

(iii) Consequences of a Tender Offer

If the Preference Share Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Company shall (if so instructed by the Preference Share Calculation Agent) (i) redeem each Preference Share at its fair market value less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) as at the Tender Offer Date on such date as the Company may notify to holders of the Preference Shares (acting on the instructions of the Preference Share Calculation Agent); and/or (ii) make such adjustment to the exercise, settlement, payment or any other term or condition of the Preference Shares as the Preference Share Calculation Agent determines appropriate to account for the economic effect on the Preference Shares of such Tender Offer (*provided that* no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Preference Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of such redemption or adjustment to holders of the Preference Shares (copied to the Company).

(iv) Nationalisation, Insolvency or De-listing

If in respect of one or more of the Shares in the Basket or a Share Issuer the Preference Share Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Company shall (if so instructed by the Preference Share Calculation Agent) (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for the Nationalisation, Insolvency or De-listing, as the case may be, on the effective date of that adjustment (in each case as determined by the Preference Share Calculation Agent) or (ii) redeem each Preference Share at its fair market value as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company shall (acting on the instructions of the Preference Share Calculation Agent) notify to holders of the Preference Shares.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of any redemption of the Preference Shares, determination or adjustment pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

(v) Change of Exchange

If an Exchange is changed, the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such modification(s) to holders of the Preference Shares (copied to the Company).

(vi) Price Correction

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination made under the Preference Shares is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the Preference Share Confirmation) after the original publication, the Preference Share Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Company will make such adjustments to the terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such correction.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such adjustment(s) to holders of the Preference Shares (copied to the Company).

(vii) Currency

If the Preference Share Calculation Agent determines that any event occurs affecting the Preference Share Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Preference Share Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Preference Shares (including the date on which any amount is payable by the Company), the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price (if applicable) and/or any other relevant term of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares of any such adjustment(s) (copied to the Company).

(viii) Additional Disruption Events

If the Preference Share Calculation Agent determines that an Additional Disruption Event has occurred, the Company shall (acting on the instructions of the Preference Share Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Preference Share Calculation Agent) or (ii) redeem each Preference Share at its fair market value as at the date of redemption taking into account such Additional Disruption Event less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

(ix) Change in currencies

If, at any time after the Issue Date, there is any change in the currency in which any Shares are quoted, listed and/or dealt on the Exchange, then the Company will adjust such of the terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines appropriate to preserve the economic terms of the Preference Shares. The Preference Share Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Preference Share Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency of denomination of the Preference Shares or any payment obligation arising out of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any adjustments pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

4. Automatic Early Redemption

For the purposes of the Preference Shares, if "Automatic Early Redemption" is specified as being applicable in the Preference Share Confirmation, then unless previously redeemed or purchased and cancelled, if the Preference Share Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Preference Share Calculation Agent shall promptly notify the Company and the Preference Shares will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Preference Share Confirmation) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Company on such date upon redemption of each Preference Share shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

5. **Early Redemption on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled maturity date, the Company shall redeem each Preference Share at its fair market value as at the date of redemption of the Notes less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

6. **Determinations by the Preference Share Calculation Agent**

The Preference Share Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Preference Shares in good faith and acting in a commercially reasonable manner.

(1)(C) Form of Preference Share Confirmation for Share Linked Preference Shares

Set out below is the form of Preference Share Confirmation, which will be completed for each Class of Preference Shares linked to a single Share or Basket of Shares.

FORM OF PREFERENCE SHARE CONFIRMATION FOR SHARE LINKED PREFERENCE SHARES

Preference Share Confirmation dated [•]

ZEBRA CAPITAL II LIMITED
(the "Company")
CLASS [] PREFERENCE SHARES
relating to the
£4,000,000,000 Zebra Capital Plans Retail Structured Products Programme
of Investec Bank plc

We hereby confirm pursuant to Article 6 of the Articles of Association of the Company that the details set out below are the terms and conditions of the Class [] Preference Shares of the Company. Such terms and conditions supplement, complete, modify and/or (as the case may be) amend the general terms and conditions of the Memorandum and Articles of Association of the Company and such additional terms and conditions as are specified herein to apply to such Class of Preference Shares depending on whether such Preference Shares are Single Share Linked Shares or Basket Share Linked Shares and which additional terms and conditions are appended to the Memorandum and Articles of Association of the Company. Unless the context otherwise requires, terms defined in such additional terms and conditions will have the same meanings when used herein.

1. Number of Preference Shares: [•]
2. Preference Share Currency: [•]
3. Par Value of Each Preference Share: [•]
4. Issue Price: [•]
5. Issue Date: [•]
6. Final Redemption Date: [•], provided that, if such date is not a Business Day (as defined below), the Final Redemption Date shall be the next following Business Day
7. Redemption Price payable on Final Redemption Date: [•] [As set out in the Annex hereto]
8. Preference Share Calculation Agent: [•]
9. Type of Preference Shares: [Single Share Linked Shares] [Basket Share Linked Shares] [, which are also Credit Linked Shares]

SHARE LINKED PROVISIONS

10. *[The following apply to Preference Shares linked to a Single share only:*

- (i) Additional Disruption Events: [Change in Law] [Insolvency Filing] [Hedging Disruption] [Increased Cost of Hedging]
- (ii) Automatic Early Redemption: [Applicable/Not applicable]
[If not applicable, delete the automatic early redemption provisions which follow]
- Automatic Early Redemption Amount: *[specify or delete if N/A]*
 - Automatic Early Redemption Date(s): *[specify date(s) or delete if N/A]*
[If Preference Shares may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]
 - Automatic Early Redemption Event: [greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify] [complete as appropriate]
 - Automatic Early Redemption Price: *[specify or delete if N/A]*
 - Automatic Early Redemption Rate: *[specify or delete if N/A]*
 - Automatic Early Redemption Valuation Date(s): *[specify date(s) or delete if N/A]*
- (iii) Averaging Dates: *[specify date(s) or delete if N/A]*
- (iv) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] *[delete if N/A]*
- (v) Barrier Level: *[specify as [[•] per cent. of Initial Share Price] or delete if N/A]*
- (vi) Business Day: *[specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day].*
- (vii) Constant Monitoring: *[specify as applicable and delete "Valuation Time Only" below or delete if N/A]*
- (viii) Exchange: *[specify]*

- (ix) Final Share Price: [specify if fallback provisions in Appendix A, Part 1(A) of the Articles, not to apply or state if N/A]
- (x) Initial Share Price: [specify if fallback provisions in Appendix A, Part 1(A) of the Articles, not to apply or state if N/A]
- (xi) Observation Date(s): [specify or delete if N/A]
- (xii) Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]
- (xiii) Share Currency: [specify]
- (xiv) Share Issuer(s): [specify]
- (xv) Shares: [name and short description of type of shares] issued by the Share Issuer (ISIN: [•]).
- (xvi) Strike Date: [specify or delete if N/A]
- (xvii) Strike Price: [specify or delete if N/A]
- (xviii) Valuation Date: [specify date or delete if N/A]
- (xix) Valuation Time: [specify]
- (xx) Valuation Time Only: [specify as applicable and delete "Constant Monitoring" above or delete if N/A]
- [Insert any other relevant terms]]

11. **[The following apply to Preference Shares linked to a Basket of Shares only:**

- (i) Additional Disruption Events: [Change in Law] [Insolvency Filing] [Hedging Disruption] [Increased Cost of Hedging]
- (ii) Automatic Early Redemption: [Applicable/ Not applicable]
- [If not applicable, delete the automatic early redemption provisions which follow]
- Automatic Early Redemption Amount: [specify or delete if N/A]
 - Automatic Early Redemption Date(s): [specify date(s) or delete if N/A]
- [If Preference Shares may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]
- Automatic Early Redemption Event: [specify whether the Automatic Early Redemption Event is triggered by the Price of one or more Shares]

in the Basket; specify the applicable Share(s)]

[greater than/ greater than or equal to/ less than/ less than or equal to/ *other-specify*]

[*complete as appropriate*]

- Automatic Early Redemption Price(s): [*specify or delete if N/A*]

- Automatic Early Redemption Rate: [*specify or delete if N/A*]

- Automatic Early Redemption Valuation Date(s): [*specify date(s) or delete if N/A*]

(iii) Averaging Dates: [*specify date(s) or delete if N/A*]

(iv) Averaging Date Market Disruption: [Omission] [Postponement] [Modified Postponement] [*delete if N/A*]

(v) Barrier Level: [*specify as [[*] per cent. of Initial Share Price] or delete if N/A*]

"Basket" means a basket composed of Shares in the relative weighting of each Share Issuer specified below:

Share Issuer	Name and short description of Shares (including ISIN Number)	Exchange	Weighting

(vi) Business Day: [*specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [*] [and (ii) which is a TARGET2 Business Day].*]

(vii) Constant Monitoring: [*specify as applicable and delete "Valuation Time Only" below or delete if N/A*]

(viii) Exchange: [*specify*]

(ix) Final Share Price: [*specify if fallback provisions in Appendix A, Part 1(B) of the Articles not to apply or state if N/A*]

(x) Initial Share Price: [*specify if fallback provisions in Appendix A, Part 1(B) of the Articles not to apply or state if N/A*]

- (xi) Observation Date(s): *[specify or delete if N/A]*
 - (xii) Observation Period: *[specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]*
 - (xiii) Share Currency: *[specify]*
 - (xiv) Strike Date: *[specify or delete if N/A]*
 - (xv) Strike Price: *[specify or delete if N/A]*
 - (xvi) Valuation Date: *[specify date or delete if N/A]*
 - (xvii) Valuation Time: *[specify]*
- [Insert any other relevant terms]*
- (xviii) Valuation Time Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*

CREDIT LINKED PROVISIONS

12. [The following applies to Preference Shares which are Credit Linked Shares only:

Name of Reference Entity: *[specify as applicable or delete if N/A]*

Further information regarding the Reference Entity can be obtained from *[specify source of information, for example, the Reference Entity's website].*

Signed on behalf of the Company:

By:

Duly authorised

[Annex]

[Insert methodology for calculation of Redemption Price (as applicable)]

(2) **Preference Shares linked to an Index or Basket of Indices**

(2)(A) **Additional Terms and Conditions of Preference Shares linked to a Single Index**

The terms and conditions applicable to Preference Shares linked to a single Index ("**Single Index Linked Shares**") shall be supplemented by the following additional terms and conditions.

1. **Definitions**

For the purposes of the terms and conditions of the Preference Shares, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the relevant Preference Share Confirmation and as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Amount" means, if "**Automatic Early Redemption**" is specified as being applicable in the Preference Share Confirmation, (a) an amount specified as such in the applicable Preference Share Confirmation or, if no such amount is specified, (b) an amount per Preference Share equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Date(s)" means, if "**Automatic Early Redemption**" is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation, subject in each case to adjustment in accordance with paragraph 2 below.

"Automatic Early Redemption Event" means, if "**Automatic Early Redemption**" is specified as being applicable in the Preference Share Confirmation, (unless otherwise specified in the applicable Preference Share Confirmation) that the Index Level is, as specified in the applicable Preference Share Confirmation, (i) "**greater than**", (ii) "**greater than or equal to**", (iii) "**less than**" or (iv) "**less than or equal to**" the Automatic Early Redemption Level, as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Level" means, if "**Automatic Early Redemption**" is specified as being applicable in the Preference Share Confirmation, the Index Level specified as such or otherwise determined in the applicable Preference Share Confirmation.

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if "**Automatic Early Redemption**" is specified as being applicable in the Preference Share Confirmation, the rate specified as such in the applicable Preference Share Confirmation.

"Automatic Early Redemption Valuation Date(s)" means, if "**Automatic Early Redemption**" is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with paragraph 2 below.

"Averaging Dates" means, each of the dates set forth in the Preference Share Confirmation, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Disrupted Day" means any Scheduled Trading Day on which (i) if **"Multi-Exchange Index"** is specified in the Preference Share Confirmation, the Index Sponsor fails to publish the level of the Index or, if **"Non Multi-Exchange Index"** is specified in the Preference Share Confirmation, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Preference Share Calculation Agent.

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange(s) or Related Exchange(s) 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(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day, all as determined by the Preference Share Calculation Agent.

"Exchange(s)" means, if **"Non Multi-Exchange Index"** is specified in the Preference Share Confirmation, the Exchange specified in the Preference Share Confirmation or, if **"Multi-Exchange Index"** is specified in the Preference Share Confirmation, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the Preference Share Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time, as determined by the Preference Share Calculation Agent.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Preference Share Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, if **"Multi-Exchange Index"** is specified in the Preference Share Confirmation, any security comprised in the Index on any relevant Exchange or, if **"Non Multi-Exchange Index"** is specified in the Preference Share Confirmation, securities that comprise 20 per cent. or more of the level of the Index on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

"Final Index Level" means the level of the relevant Index in the Share Currency at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the Preference Share Confirmation, the arithmetic mean of the levels of the Index at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the Preference Share Confirmation), as determined by the Preference Share Calculation Agent.

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

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

"Index" means the index specified in the Preference Share Confirmation, or any Successor Index.

"Index Cancellation" means the Index Sponsor cancels the Index and no Successor Index exists.

"Index Disruption" means the Index Sponsor fails to calculate and announce the Index Level.

"Index Level" means, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor, (i) if **"Constant Monitoring"** is specified as being applicable in the Preference Share Confirmation, at any given time on such Scheduled Trading Day or (ii) if **"Official Closing Level Only"** is specified as being applicable in the Preference Share Confirmation, the official closing level of the Index on such Scheduled Trading Day.

"Index Modification" means the Index Sponsor announces that it will make (in the opinion of the Preference Share Calculation Agent) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalisation and other routine events).

"Index Sponsor" means either (x) the index sponsor specified in the Preference Share Confirmation or such other corporation or entity as determined by the Preference Share Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such person acceptable to the Preference Share Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Preference Share Confirmation, then the corporation or entity as determined by the Preference Share Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, failing whom such

person acceptable to the Preference Share Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

"**Issuer**" means Investec Bank plc, as issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme.

"**Market Disruption Event**" means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Preference Share Calculation Agent determines in its sole discretion is material at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, *provided that*, if "**Multi-Exchange Index**" is specified in the Preference Share Confirmation, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Preference Share Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Preference Share Calculation Agent, all as determined by the Preference Share Calculation Agent.

"**Notes**" means, in respect of any Class of Preference Share, the notes issued by the Issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme that are linked to such Class of Preference Shares.

"**Notional Hedge Termination Costs**" means, in respect of each Preference Share and as of an early redemption date, a portion of the fair market value of such Preference Share that is equal to the portion that (i) any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes on such date would bear to (ii) the fair market value of such Notes on such early redemption date if no Notional Hedge Termination Costs were deducted from the fair market value of the Preference Shares, all as determined by the Preference Share Calculation Agent.

"**Observation Date**" means each date, if any, specified as such in the Preference Share Confirmation, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"**Observation Period**" has the meaning given to it in the Preference Share Confirmation.

"**Preference Share Currency**" means the currency in which the relevant Preference Shares are denominated.

"**Related Exchange**" means each exchange or quotation system as the Preference Share Calculation Agent determines on which trading has a material effect (as determined by the Preference Share Calculation Agent) on the overall market for futures or options contracts relating to the Index, or such other options or futures exchange(s) as the Company shall (acting on the instructions of the Preference Share Calculation Agent) select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to the futures

or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

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

"Scheduled Trading Day" means (i) if **"Multi-Exchange Index"** is specified in the Preference Share Confirmation, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if **"Non Multi-Exchange Index"** is specified in the Preference Share Confirmation, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

"Strike Date" means the date (if any) specified as such in the Preference Share Confirmation, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Strike Price" means the price (if any) specified as such in the Preference Share Confirmation.

"Successor Index" means where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Preference Share Calculation Agent or (ii) replaced by a successor index using, in the determination of the Preference Share Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, such successor index or index calculated and announced by the successor sponsor.

"Trading Disruption" means any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise (i) if **"Multi-Exchange Index"** is specified in the Preference Share Confirmation, on any relevant Exchange(s) relating to any security comprised in the Index or, if **"Non Multi-Exchange Index"** is specified in the Preference Share Confirmation, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange, all as determined by the Preference Share Calculation Agent.

"Valuation Date" means the date (if any) specified as such in the Preference Share Confirmation or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Valuation Time" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the relevant Preference Share Confirmation or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant date. 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 (subject to paragraph 2 below) the Valuation Time shall be such actual closing time.

2. **Disrupted Days**

- (i) If the Preference Share Calculation Agent determines that the Strike Date, the Valuation Date, any Averaging Date, any Valuation Date, any Automatic Early

Redemption Valuation Date or any Observation Date, as the case may be, in respect of the Index is a Disrupted Day, then the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, 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 original date that, but for the determination by the Preference Share Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (b) the Preference Share Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance 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 price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Preference Share Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).
- (ii) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Preference Share Confirmation in relation to "Averaging Date Market Disruption" is:
- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Index Level or Final Index Level *provided that*, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then sub-paragraph (i) above will apply for purposes of determining the relevant level on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
 - (2) "**Postponement**", then sub-paragraph (i) above will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Preference Shares; or
 - (3) "**Modified Postponement**", then:
 - (aa) the Averaging Date shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in

relation to Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) 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 relation to such Index; and (2) the Preference Share Calculation Agent shall determine the relevant level for that Averaging Date in accordance with sub-paragraph (i) above; and

- (bb) "**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.

Notwithstanding the provisions of any other term or condition of the Preference Shares, if the Preference Share Calculation Agent determines that a Disrupted Day has occurred on the Valuation Date and/or any Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Final Redemption Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period specified in the Preference Share Confirmation) following the postponed Valuation Date, Observation Date, Valuation Date, Automatic Early Redemption Valuation Date or Averaging Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this paragraph 2.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares (copied to the Company) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Preference Shares.

3. **Adjustments, Consequences of Certain Events and Currency**

- (i) Index Modification, Index Cancellation and/or Index Disruption

If the Preference Share Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Preference Share Calculation Agent determines necessitate(s) an adjustment or adjustments to the Redemption Price and/or any other relevant term of the Preference Shares, the Company shall (acting on the instructions of the Preference Share Calculation Agent) either (i) redeem each Preference Share at its fair market value less any Notional Hedge Termination Costs (as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares; and/or (ii) make any adjustment or adjustments to the Redemption Price and/or any other relevant term of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares of any such adjustment or redemption (copied to the Company).

(ii) Change of Exchange

If an Exchange is changed, the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such consequential modifications to any of the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such modification(s) to holders of the Preference Shares (copied to the Company).

(iii) Price Correction

In the event that any price or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Preference Shares is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) within three Business Days (or such other period specified in the Preference Share Confirmation) after the original publication, the Preference Share Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Company will make any such adjustments to the terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such correction.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such adjustment(s) to holders of the Preference Shares (copied to the Company).

(iv) Currency

If the Preference Share Calculation Agent determines that any event occurs affecting the Preference Share Currency (whether relating to its convertibility into other currencies or otherwise) which the Preference Share Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Preference Shares (including the date on which any amount is payable by the Company), the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any adjustments pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

(v) Additional Disruption Event

If the Preference Share Calculation Agent determines that an Additional Disruption Event has occurred, the Company shall (acting on the instructions of the Preference Share Calculation Agent) either (i) make such adjustment, if any,

to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Preference Share Calculation Agent) or (ii) redeem each Preference Share at its fair market value as at the date of redemption taking into account such Additional Disruption Event less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

4. Automatic Early Redemption

For the purposes of the Preference Shares, if "Automatic Early Redemption" is specified as being applicable in the Preference Share Confirmation, then unless previously redeemed or purchased and cancelled, if the Preference Share Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Preference Share Calculation Agent shall promptly notify the Company and the Preference Shares will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Preference Share Confirmation) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Company on such date upon redemption of each Preference Share shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

5. Early Redemption on Early Redemption of Notes

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled maturity date, the Company shall redeem each Preference Share at its fair market value as at the date of redemption of the Notes less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

6. Determinations by the Preference Share Calculation Agent

The Preference Share Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Preference Shares in good faith and acting in a commercially reasonable manner.

(2)(B) Additional Terms and Conditions of Preference Shares linked to a Basket of Indices

The terms and conditions applicable to Preference Shares linked to a basket of indices ("**Basket Index Linked Shares**") shall be supplemented by the following additional terms and conditions.

1. Definitions

For the purposes of the terms and conditions of the Preference Shares, the following terms shall have the meanings set out below:

"Additional Disruption Event" means a Hedging Disruption and/or an Increased Cost of Hedging, as specified in the relevant Preference Share Confirmation and as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Amount" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, (a) an amount specified as such in the applicable Preference Share Confirmation or, if no such amount is specified, (b) an amount per Preference Share equal to the product of (i) the Issue Price and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date, all as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation, subject in each case to adjustment in accordance with paragraph 2 below.

"Automatic Early Redemption Event" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, (unless otherwise specified in the applicable Preference Share Confirmation) that the Index Level of one or more Indices (as specified in the applicable Preference Share Confirmation) is, as specified in the applicable Preference Share Confirmation, (i) **"greater than"**, (ii) **"greater than or equal to"**, (iii) **"less than"** or (iv) **"less than or equal to"** the Automatic Early Redemption Level(s), as determined by the Preference Share Calculation Agent.

"Automatic Early Redemption Level(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, the Index Level(s) specified as such or otherwise determined in the applicable Preference Share Confirmation.

"Automatic Early Redemption Rate" means, in respect of any Automatic Early Redemption Date and if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, the rate specified as such in the applicable Preference Share Confirmation.

"Automatic Early Redemption Valuation Date(s)" means, if **"Automatic Early Redemption"** is specified as being applicable in the Preference Share Confirmation, each of the date(s) specified as such in the applicable Preference Share Confirmation or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with paragraph 2 below.

"Averaging Dates" means, in respect of an Index, each of the dates set forth in the Preference Share Confirmation, if any, or if any such date is not a Scheduled Trading

Day in respect of the relevant Index, the next following Scheduled Trading Day in respect of that Index, in each case subject to paragraph 2 below.

"**Basket**" means a basket composed of the Indices specified in the Preference Share Confirmation.

"**Disrupted Day**" means, in respect of an Index, any Scheduled Trading Day on which (i) if "**Multi-Exchange Index**" is specified in the Preference Share Confirmation, the relevant Index Sponsor fails to publish the level of the relevant Index or, if "**Non Multi-Exchange Index**" is specified in relation to that Index in the Preference Share Confirmation, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred, all as determined by the Preference Share Calculation Agent.

"**Early Closure**" means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day, all as determined by the Preference Share Calculation Agent.

"**Exchange(s)**" means, in respect of an Index, if "**Non Multi-Exchange Index**" is specified in relation to that Index in the Preference Share Confirmation, the Exchange specified for such Index in the Preference Share Confirmation and, if "**Multi-Exchange Index**" is specified in relation to that Index in the Preference Share Confirmation, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Preference Share Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (*provided that* the Preference Share Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means, in respect of an Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time, as determined by the Preference Share Calculation Agent.

"**Exchange Disruption**" means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Preference Share Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if "**Multi-Exchange Index**" is specified in relation to that Index in the Preference Share Confirmation any security comprised in such Index on any relevant Exchange and (y) if "**Non Multi-Exchange Index**" is specified in relation to that Index in the Preference Share Confirmation, securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.

"Final Index Level" means the level of the Index in the Share Currency at the Valuation Time on the Valuation Date or, if Averaging Dates are specified in the Preference Share Confirmation, the arithmetic mean of the levels of the Index at the Valuation Time on each Averaging Date (or such other definition, if any, as may be specified in the Preference Share Confirmation), as determined by the Preference Share Calculation Agent.

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

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

"Index" means one of the indices specified in the definition of Basket or any Successor Index, and **"Indices"** means all such indices together.

"Index Cancellation" means, in respect of an Index, the Index Sponsor in respect of such Index cancels the Index and no Successor Index exists.

"Index Disruption" means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Index Level.

"Index Level" means, in respect of an Index, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor, (i) if **"Constant Monitoring"** is specified as being applicable in the Preference Share Confirmation, at any given time on such Scheduled Trading Day or (ii) if **"Official Closing Level Only"** is specified as being applicable in the Preference Share Confirmation, the official closing level of the Index on such Scheduled Trading Day.

"Index Modification" means, in respect of an Index, the relevant Index Sponsor announces that it will make (in the opinion of the Preference Share Calculation Agent) a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalisation and other routine events).

"Index Sponsor" means, in respect of an Index, either (x) the index sponsor specified in the Preference Share Confirmation or such other corporation or entity as determined by the Preference Share Calculation Agent 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 failing whom such person acceptable to the Preference Share Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person or (y) if no

such index sponsor is specified in the Preference Share Confirmation, then the corporation or entity as determined by the Preference Share Calculation Agent 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, failing whom such person acceptable to the Preference Share Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

"Issuer" means Investec Bank plc, as issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme.

"Market Disruption Event" means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Preference Share Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, *provided that*, if **"Multi-Exchange Index"** is specified in relation to that Index in the Preference Share Confirmation, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Preference Share Calculation Agent, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Preference Share Calculation Agent, all as determined by the Preference Share Calculation Agent.

"Notes" means, in respect of any Class of Preference Share, the notes issued by the Issuer under its £4,000,000,000 Zebra Capital Plans Retail Structured Products Programme that are linked to such Class of Preference Shares.

"Notional Hedge Termination Costs" means, in respect of each Preference Share and as of an early redemption date, a portion of the fair market value of such Preference Share that is equal to the portion that (i) any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes on such date would bear to (ii) the fair market value of such Notes on such early redemption date if no Notional Hedge Termination Costs were deducted from the fair market value of the Preference Shares, all as determined by the Preference Share Calculation Agent.

"Observation Date" means, in respect of an Index, each date, if any, specified as such in the Preference Share Confirmation or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to paragraph 2 below.

"Observation Period" has the meaning given to it in the Preference Share Confirmation.

"Preference Share Currency" means the currency in which the relevant Preference Shares are denominated.

"Related Exchange" means, in respect of an Index, each exchange or quotation system as the Preference Share Calculation Agent determines on which trading has a material

effect (as determined by the Preference Share Calculation Agent) on the overall market for futures or options contracts relating to such Index, any transferee or successor to any 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 Preference Share Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the relevant Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

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

"Scheduled Trading Day" means, in respect of an Index, (i) if **"Multi-Exchange Index"** is specified in relation to that Index in the Preference Share Confirmation, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if **"Non Multi-Exchange Index"** is specified in relation to that Index in the Preference Share Confirmation, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

"Strike Date" means the date (if any) specified as such in the Preference Share Confirmation, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Strike Price" means the price (if any) specified as such in the Preference Share Confirmation.

"Successor Index" means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Preference Share Calculation Agent or (ii) replaced by a successor index using, in the determination of the Preference Share Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

"Trading Disruption" means, in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if **"Multi-Exchange Index"** is specified in relation to that Index in the Preference Share Confirmation, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if **"Non Multi-Exchange Index"** is specified in relation to that Index in the Preference Share Confirmation, on the Exchange relating to securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange, all as determined by the Preference Share Calculation Agent.

"Valuation Date" means the date (if any) specified as such in the Preference Share Confirmation or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to paragraph 2 below.

"Valuation Time" means the time on the relevant Valuation Date or Averaging Date, as the case may be, specified in the relevant Preference Share Confirmation or, if no such

time is specified, the Scheduled Closing Time on the Exchange on the relevant date. If a 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 (subject to paragraph 2 below) the Valuation Time shall be such actual closing time.

2. Disrupted Days

- (i) If the Preference Share Calculation Agent determines that the Strike Date, the Valuation Date, any Averaging Date, any Valuation Date, any Automatic Early Redemption Valuation Date or any Observation Date, as the case may be, is a Disrupted Day in respect of an Index, then the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the determination by the Preference Share Calculation Agent of the occurrence of a Disrupted Day, would have been the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, is a Disrupted Day for such Index. In that case:
- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Valuation Date, such Averaging Date, such Valuation Date, such Automatic Early Redemption Valuation Date or such Observation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Preference Share Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the relevant Index (or, if the Preference Share Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).
- (ii) If any Averaging Date is a Disrupted Day, then, if the consequence specified in the relevant Preference Share Confirmation in relation to "Averaging Date Market Disruption" is:
- (1) "**Omission**", then such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Index Level or Final Index Level *provided that*, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, then sub-paragraph (i) above will apply for purposes of determining the relevant level on the final Averaging Date in respect of that Valuation Date as if such final Averaging Date were a Valuation Date that was a Disrupted Day;

- (2) "**Postponement**", then sub-paragraph (i) above will apply for purposes of determining the relevant level on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the Preference Shares; or
- (3) "**Modified Postponement**", then:
 - (aa) the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the day specified in the relevant Preference Share Confirmation as an Averaging Date in relation to the relevant Valuation Date (the "**Scheduled Averaging Date**") and the Averaging Date for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the Scheduled Final Averaging Date, then (1) 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 relation to such Index; and (2) the Preference Share Calculation Agent shall determine the relevant level for that Averaging Date in accordance with sub-paragraph (i) above; and
 - (bb) "**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.

Notwithstanding the provisions of any other term or condition of the Preference Shares, if the Preference Share Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on the Valuation Date and/or any Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount (if such amount is payable) shall be postponed to the later of (i) the Final Redemption Date or (as the case may be) the Automatic Early Redemption Date and (ii) the date that is three Business Days (or such other period specified in the Preference Share Confirmation) following the postponed Valuation Date, Observation Date, Automatic Early Redemption Valuation Date, Valuation Date or Averaging Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Redemption Price or (as the case may be) the Automatic Early Redemption Amount in accordance with this paragraph 2.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares (copied to the Company) of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Preference Shares.

3. Adjustments, Consequences of Certain Events and Currency

(i) Index Modification, Index Cancellation and/or Index Disruption

If the Preference Share Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Preference Share Calculation Agent determines necessitate(s) an adjustment or adjustments to the Redemption Price and/or any other relevant term of the Preference Shares, the Company shall (acting on the instructions of the Preference Share Calculation Agent) either (i) redeem each Preference Share at its fair market value less any Notional Hedge Termination Costs (as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares; and/or (ii) make any adjustment or adjustments to the Redemption Price and/or any other relevant term of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares of any such adjustment or redemption (copied to the Company).

(ii) Change of Exchange

If an Exchange is changed, the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such consequential modifications to the Strike Price, Redemption Price, Valuation Time and such other terms and conditions of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such modification(s) to holders of the Preference Shares (copied to the Company).

(iii) Price Correction

In the event that any price or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Preference Shares is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the Preference Share Confirmation) after the original publication, the Preference Share Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Company will make such adjustments to the terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such correction.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice of such adjustment(s) to holders of the Preference Shares (copied to the Company).

(iv) Currency

If the Preference Share Calculation Agent determines that any event occurs affecting the Preference Share Currency (whether relating to its convertibility into other currencies or otherwise) which the Preference Share Calculation Agent determines necessitates an adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Preference Shares, the Company shall (acting on the instructions of the Preference Share Calculation Agent) make such adjustment or adjustments to the Redemption Price, Strike Price and/or any other relevant term of the Preference Shares as the Preference Share Calculation Agent deems necessary.

The Preference Share Calculation Agent, on behalf of the Company, shall give notice to the holders of the Preference Shares of any such adjustment (copied to the Company).

(v) Additional Disruption Event

If the Preference Share Calculation Agent determines that an Additional Disruption Event has occurred, the Company shall (acting on the instructions of the Preference Share Calculation Agent) either (i) make such adjustment, if any, to any one or more of the Redemption Price and/or the Strike Price and/or any of the other terms and conditions of the Preference Shares as the Preference Share Calculation Agent determines to be appropriate to account for such Additional Disruption Event, on the effective date of that adjustment (in each case as determined by the Preference Share Calculation Agent) or (ii) redeem each Preference Share at its fair market value as at the date of redemption taking into account such Additional Disruption Event less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

4. Automatic Early Redemption

For the purposes of the Preference Shares, if "Automatic Early Redemption" is specified as being applicable in the Preference Share Confirmation, then unless previously redeemed or purchased and cancelled, if the Preference Share Calculation Agent determines that on any Automatic Early Redemption Valuation Date or during any Observation Period the Automatic Early Redemption Event has occurred, then the Preference Share Calculation Agent shall promptly notify the Company and the Preference Shares will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date or (in the case of the occurrence of an Automatic Early Redemption Event during an Observation Period) on the date that is five Business Days (or such other period as is specified in the applicable Preference Share Confirmation) following the occurrence of such Automatic Early Redemption Event, and in any such case the Redemption Price payable by the Company on such date upon redemption of each Preference Share shall be an amount equal to the relevant Automatic Early Redemption Amount.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

5. **Early Redemption on Early Redemption of Notes**

If all and not some only of the Notes are redeemed by the Issuer pursuant to their terms and conditions prior to their scheduled maturity date, the Company shall redeem each Preference Share at its fair market value as at the date of redemption of the Notes less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent) on such date as the Company (acting on the instructions of the Preference Share Calculation Agent) shall notify to holders of the Preference Shares.

The Preference Share Calculation Agent shall, on behalf of the Company, give notice of any redemption of the Preference Shares or determination pursuant to this paragraph to holders of the Preference Shares (copied to the Company).

6. **Determinations by the Preference Share Calculation Agent**

The Preference Share Calculation Agent shall make all determinations required of it pursuant to the terms and conditions of the Preference Shares in good faith and acting in a commercially reasonable manner.

(2)(C) Form of Preference Share Confirmation for Index Linked Preference Shares

Set out below is the form of Preference Share Confirmation, which will be completed for each Class of Preference Shares linked to a single Index or a Basket of Indices.

PREFERENCE SHARE CONFIRMATION FOR INDEX LINKED PREFERENCE SHARES

Preference Share Confirmation dated [•]

ZEBRA CAPITAL II LIMITED
(the "Company")
CLASS [] PREFERENCE SHARES
relating to the
£4,000,000,000 Zebra Capital Plans Retail Structured Products Programme
of Investec Bank plc

We hereby confirm pursuant to Article 6 of the Articles of Association of the Company that the details set out below are the terms and conditions of the Class [] Preference Shares of the Company. Such terms and conditions supplement, complete, modify and/or (as the case may be) amend the general terms and conditions of the Memorandum and Articles of Association of the Company and such additional terms and conditions as are specified herein to apply to such Class of Preference Shares depending on whether such Preference Shares are Index Linked Shares or Basket Index Linked Shares and which additional terms and conditions are appended to the Memorandum and Articles of Association of the Company. Unless the context other requires, terms defined in such additional terms and conditions will have the same meanings when used herein.

1. Number of Preference Shares: [•]
2. Preference Share Currency: [•]
3. Par Value of Each Preference Share: [•]
4. Issue Price: [•]
5. Issue Date: [•]
6. Final Redemption Date: [•], provided that, if such date is not a Business Day (as defined below), the Final Redemption Date shall be the next following Business Day
7. Redemption Price payable on Final Redemption Date: [•] [As set out in the Annex hereto]
8. Preference Share Calculation Agent: [•]
9. Type of Preference Shares: [Single Share Linked Shares] [Basket Share Linked Shares] [, which are also Credit Linked Shares]

INDEX LINKED PROVISIONS

10. ***[The following apply to Preference Shares linked to a single Index only:***

- (i) Additional Disruption Events: [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]
- (ii) Automatic Early Redemption: [Applicable/ Not applicable]
- [If not applicable, delete the automatic early redemption provisions which follow]*
- Automatic Early Redemption Amount: *[specify or delete if N/A]*
 - Automatic Early Redemption Date(s): *[specify date(s) or delete if N/A]*
[If Preference Shares may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]
 - Automatic Early Redemption Event: *[greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify] [complete as appropriate]*
 - Automatic Early Redemption Level: *[specify or delete if N/A]*
 - Automatic Early Redemption Rate: *[specify or delete if N/A] [specify date(s) or delete if N/A]*
 - Automatic Early Redemption Valuation Date(s): *[specify dates or delete if N/A]*
- (iii) Averaging Dates: *[specify dates or delete if N/A]*
- (iv) Averaging Dates Market Disruption: [Omission] [Postponement] [Modified Postponement] *[delete if N/A]*
- (v) Barrier Level: *[specify as [[•] per cent. of Initial Index Level] or delete if N/A]*
- (vi) Business Day: *[specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day]]]*
- (vii) Constant Monitoring: *[specify as applicable and delete "Official Closing Level Only" below or delete if N/A]*
- (viii) Exchange(s): *[specify if Non-Multi Exchange Index, otherwise no need to complete]*
- (ix) Index: *[specify]*

- (x) Index Sponsor: *[specify or delete if fallback provisions in Appendix B, Part 1 of the Articles apply]*
- (xi) Initial Index Level: *[specify as [the Index Level on the Strike Date] or delete if N/A]*
- (xii) Multi-Exchange Index: *[Yes/No]*
- (xiii) Non Multi-Exchange Index: *[Yes/No]*
- (xiv) Observation Date(s): *[specify or delete if N/A]*
- (xv) Observation Period: *[specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]*
- (xvi) Official Closing Level Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*
- (xvii) Strike Date: *[specify or delete if N/A]*
- (xviii) Strike Price: *[specify or delete if N/A]*
[Insert any other relevant terms]]
- (xix) Valuation Date: *[specify or delete if N/A]*
- (xx) Valuation Time: *[specify or delete if N/A]*
- (xxi) Valuation Time Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*

11. [The following apply to Preference Shares linked to a Basket of Indices only:

- (i) Additional Disruption Events: *[Change of Law] [Hedging Disruption] [Increased Cost of Hedging]*
- (ii) Automatic Early Redemption: *[Applicable/ Not applicable]*
[If not applicable, delete the automatic early redemption provisions which follow]
 - Automatic Early Redemption Amount: *[specify or delete if N/A]*
 - Automatic Early Redemption Date(s): *[specify date(s) or delete if N/A]*
[If Preference Shares may be redeemed as a result of an Automatic Early Redemption Event during an Observation Period, then specify if redemption is not to take place five Business Days after the Automatic Early Redemption Event]

- Automatic Early Redemption Event: [specify whether the Automatic Early Redemption Event is triggered by the Level of one or more Indices in the Basket; specify the applicable Index/Indices]

[greater than/ greater than or equal to/ less than/ less than or equal to/ other-specify]

[complete as appropriate]
 - Automatic Early Redemption Level(s): [specify or delete if N/A]
 - Automatic Early Redemption Rate: [specify or delete if N/A]
 - Automatic Early Redemption Valuation Date(s): [specify date(s) or delete if N/A]
- (iii) Averaging Dates: [specify dates or delete if N/A]
- (iv) Averaging Dates Market Disruption: [Omission] [Postponement] [Modified Postponement] [delete if N/A]
- (v) Barrier Level: [specify as [[•] per cent. of Initial Index Level] or delete if N/A]
- (vi) Basket: [specify names of Indices and their weightings] [indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]
- (vii) Business Day: [specify as [a day on which (i) commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [•] [and (ii) which is a TARGET2 Business Day].
- (viii) Constant Monitoring: [specify as applicable and delete "Official Closing Level Only" below or delete if N/A]
- (ix) Exchange(s): [specify if any Non Multi-Exchange Indices, otherwise no need to complete]
- (x) Index Sponsor: [specify or delete if fallback provisions in Appendix B, Part 1 of the Articles to apply]
- (xi) Initial Index Level: [specify as [the Index Level on the Strike Date] or delete if N/A]
- (xii) Observation Date(s): [specify or delete if N/A]
- (xiii) Observation Period: [specify as [the period from and including the Issue Date, Strike Date or [•] to and including the Valuation Date or [•]] or delete if N/A]

- (xiv) Official Closing Level Only: *[specify as applicable and delete "Constant Monitoring " above or delete if N/A]*
- (xv) Strike Date: *[specify or delete if N/A]*
- (xvi) Strike Price: *[specify or delete if N/A]*
- [Insert any other relevant terms]]*
- (xvii) Valuation Date: *[specify or delete if N/A]*
- (xviii) Valuation Time: *[specify or delete if N/A]*
- (xix) Valuation Time Only: *[specify as applicable and delete "Constant Monitoring" above or delete if N/A]*

CREDIT LINKED PROVISIONS

12. **[The following applies to Preference Shares which are Credit Linked Shares only:**

Name of Reference Entity: *[specify as applicable or delete if N/A]*

Further information regarding the Reference Entity can be obtained from *[specify source of information, for example, the Reference Entity's website].*

Signed on behalf of the Company:

By:
Duly authorised

[Annex]

[Insert methodology for calculation of Redemption Price (as applicable)]

CREDIT LINKED SHARES

(3)(A) **Additional Terms and Conditions of Preference Shares that are Credit Linked Shares**

The terms and conditions applicable to Preference Shares that are specified in the applicable Preference Share Confirmation as being "**Credit Linked Shares**" shall be supplemented by the following additional terms and conditions.

1. **DEFINITIONS**

For the purposes of the terms and conditions of the Preference Shares, the following terms shall have the meanings set out below:

"Adjusted Fair Market Value" means, in relation to any Preference Share as of any date, its fair market value as of such date less any Notional Hedge Termination Costs (all as determined by the Preference Share Calculation Agent without taking into account the occurrence of a Credit Event with respect to the relevant Reference Entity).

"Credit Event" means the determination by the Preference Share Calculation Agent, acting in good faith and in a commercially reasonable manner, that a Reference Entity has become Insolvent.

"Credit Event Notice" means, in relation to any Reference Entity, a written notice from the Preference Share Calculation Agent to the Company stating that a Credit Event has occurred. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred.

"Credit Event Notice Date" means the date on which the Preference Share Calculation Agent gives a Credit Event Notice to the Company.

"Credit Event Redemption Amount" means, in relation to any Preference Share, the greater of:

- (i) the product of:
 - (a) its Adjusted Fair Market Value as of the Credit Event Notice Date; and
 - (b) the Recovery Rate; and
- (ii) the smallest sub-unit of the currency in which such Preference Share is denominated, which shall be £0.01 in the case of any Preference Share denominated in pounds sterling, €0.01 in the case of any Preference Share denominated in euro and U.S.\$0.01 in the case of any Preference Share denominated in United States dollars.

"Credit Event Redemption Date" means such date (which shall be a Business Day) as the Preference Share Calculation Agent may in its absolute discretion specify by written notice to the Company, being no later than 30 days after the date which the Preference Share Calculation Agent, acting in good faith and in a commercially reasonable manner, determines to be the date on which holders of Relevant Debt actually received or are likely to receive final payment in respect of the same from or on behalf of the Reference Entity.

"Insolvent" means, in relation to any Reference Entity:

- (i) it is unable or admits inability to pay its debts as they fall due;
- (ii) it suspends making payments on any of its debts;
- (iii) a liquidator or administrator or other similar officer has been appointed in relation to such Reference Entity;
- (iv) it enters into a company voluntary arrangement or a scheme of arrangement with its creditors; or
- (v) any Insolvency Proceedings are taken in relation to such Reference Entity.

"Insolvency Proceedings" means any legal proceedings in relation to any suspension of payments, moratorium of indebtedness, winding-up, dissolution or administration of such person (including, without limitation, any bank insolvency procedure or bank administration procedure under the United Kingdom Banking Act 2009) or any analogous procedure in any jurisdiction.

"Notional Hedge Termination Costs" means, in respect of each Preference Share and as of the Credit Event Notice Date, a portion of the fair market value of such Preference Share that is equal to the portion that (i) any costs, expenses, fees, or taxes incurred by the Issuer or any of its affiliates in respect of amending or liquidating any financial instruments or transactions entered into in connection with the Notes in respect of the early redemption of the Notes on such Credit Event Notice Date would bear to (ii) the fair market value of such Notes on such early redemption date if no Notional Hedge Termination Costs were deducted from the fair market value of the Preference Shares and without taking into account the occurrence of a Credit Event with respect to the relevant Reference Entity, all as determined by the Preference Share Calculation Agent.

"Recovery Rate" means, in relation to any Reference Entity, the percentage which the Preference Share Calculation Agent, acting in good faith and in a commercially reasonable manner, determines in its absolute discretion to represent the likely final recovery rate of holders generally of Relevant Debt of such Reference Entity.

"Reference Entity" means, in relation to any Class of Preference Shares, the entity specified as such in the relevant Preference Share Confirmation.

"Relevant Debt" means, in relation to any Reference Entity, unsecured, unsubordinated structured debt obligations of such Reference Entity for the payment or repayment of borrowed money.

2. Redemption following the giving of a Credit Event Notice

- (i) If the Preference Share Calculation Agent gives a Credit Event Notice to the Company in relation to any Class of Preference Shares prior to their Final Redemption Date, then
 - (a) the Preference Share Calculation Agent shall determine the Adjusted Fair Market Value of each Preference Share of such Class as of the Credit Event Notice Date;
 - (b) the Company shall not redeem each such Preference Share on its Final Redemption Date or (if applicable) any Automatic Early Redemption Date falling after the giving of the Credit Event Notice or pursuant to any additional terms and conditions relating to the early redemption of such

Preference Share on early redemption of the related Notes, but shall redeem each such Preference Share on its Credit Event Redemption Date at its Credit Event Redemption Amount; and

- (c) the Company shall have no other payment obligations in respect of each such Preference Share (and, in particular, but without limiting the generality of the forgoing, shall have no obligation to pay the Redemption Price that would otherwise be payable by the Company on the Final Redemption Date or (if applicable) any Automatic Early Redemption Date falling after the giving of the Credit Event Notice or any date for redemption thereof pursuant to any additional terms and conditions relating to the early redemption thereof on early redemption of the related Notes).
- (ii) The Preference Share Calculation Agent shall, on behalf of the Company, give notice to the holders of such Preference Shares (copied to the Company) of:
 - (a) the giving of any Credit Event Notice; and
 - (b) the determination of any Credit Event Redemption Date and Credit Event Redemption Amount.

FURTHER INFORMATION REGARDING CERTAIN NOTES

All Notes issued under the Programme will have a redemption amount which is linked to the percentage change in the value of a specified Class of Preference Shares from the issue date of the relevant Note until the redemption of such Preference Shares, which will in turn reflect the performance of an Underlying in accordance with a specified formula.

In addition, Notes may be Zero Coupon Notes, in which case they will bear no interest, or they may, among other things, be Fixed Rate Notes or Floating Rate Notes, in which case they will bear interest at a fixed rate or floating rate, as applicable.

The terms and conditions of the Notes and the related Preference Shares may include one or any of the terms and conditions set out below (or any combination thereof), which shall be specified in the relevant Final Terms and the relevant Preference Share Confirmation, respectively.

Set out below are the further details of certain types of Notes that the Issuer may issue, together with further details of the methodology for calculating the redemption prices of the related Preference Shares.

1. **Capital Less Down and Enhanced Income Notes**

Capital Less Down and Enhanced Income Notes are Notes scheduled to provide regular scheduled interest payments (which may be based on either a Fixed Rate or Floating Rate, as set out in the applicable Final Terms) plus a return on maturity linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Less Down and Enhanced Income Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

- (a) if the Final Index Level is greater than or equal to the Initial Index Level:

$$\text{Issue Price} \times 100\%$$

- (b) if the Final Index Level is less than the Initial Index Level:

$$\text{Issue Price} \times \frac{FIL}{IIL}$$

where:

"**Averaging Date**" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / specify other date];

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [specify other date];

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in

accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"**Final Redemption Valuation Date**" means [*date*], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [*specify other*];

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation; and

"**Strike Date**" means [*date*] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

2. **Capital Less Down Plus Upside Capped/Uncapped Notes**

Capital Less Down Plus Upside Capped/Uncapped Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Less Down Plus Upside Capped/Uncapped Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

(a) if the Final Index Level is greater than [or equal to] the Initial Index Level:

$$Issue\ Price \times \left[100\% + \text{Max} \left\{ 0, \text{Min} \left(\text{Cap}, \text{Gearing} \times \frac{FIL - IIL}{IIL} \right) \right\} \right]$$

(b) if the Final Index Level is [equal to or] less than the Initial Index Level:

$$Issue\ Price \times \frac{FIL}{IIL}$$

where:

"**Averaging Date**" means each [Scheduled Trading Day] from and including [*specify start date*] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / [*specify other date*]];

"**Cap**" means [*•*] per cent.;⁶

⁶ In the case of uncapped Notes, the definition of "Cap" will not be applicable and the reference to Cap will not be included in the formula.

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [specify other date];

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

["**Final Redemption Valuation Date**" means [date], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [specify other];]

"**Gearing**" means [•] per cent.;

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation; and

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

3. **Capital Less Down and In Barrier and Upside Capped/Uncapped Notes**

Capital Less Down and In Barrier and Upside Capped/Uncapped Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Less Down and In Barrier and Upside Capped/Uncapped Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) a Trigger Event has not occurred; or (ii) (A) a Trigger Event has occurred, and (B) the Final Index Level is greater than or equal to the Initial Index Level:

$$Issue\ Price \times \left[100\% + \text{Max} \left\{ 0, \text{Min} \left(\text{Cap}, \text{Gearing} \times \frac{FIL - IIL}{IIL} \right) \right\} \right]$$

- (b) if (A) a Trigger Event has occurred, and (B) the Final Index Level is less than the Initial Index Level:

$$Issue\ Price \times \frac{FIL}{IIL}$$

where:

"**Averaging Date**" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / [specify other date]];

"**Barrier**" means [•] per cent. of the Initial Index Level;

["**Barrier End Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares;]

["**Barrier Period**" means the period from and including the Barrier Start Date to [and including / but excluding] the Barrier End Date;]⁷

["**Barrier Start Date**" means [the Strike Date / [specify other date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares;]

"**Cap**" means [•] per cent.;⁸

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [specify other date];

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

["**Final Redemption Valuation Date**" means [date], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [specify other];]⁹

"**Gearing**" means [•] per cent.;

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation;

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares; and

⁷ In the case of the European option, "Barrier Period" and related definitions will not be applicable.

⁸ In the case of uncapped Notes, the definition of "Cap" will not be applicable and the reference to Cap will not be included in the formula.

⁹ In the case of the American option, the definition of "Final Redemption Valuation Date" will be applicable.

"**Trigger Event**" means the determination by the Preference Share Calculation Agent that [at any given time / as of the Valuation Time on any Exchange Business Day / [specify other]] [during the Barrier Period] [the level of the Index / the FIL] falls below the Barrier.

4. **Capital Less Down and In Barrier Enhanced Income Notes**

Capital Less Down and In Barrier Enhanced Income Notes are Notes scheduled to provide regular scheduled interest payments (which may be based on either a Fixed Rate or Floating Rate, as set out in the applicable Final Terms) plus a return on maturity linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Less Down and In Barrier Enhanced Income Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) a Trigger Event has not occurred; or (ii) (A) a Trigger Event has occurred, and (B) the Final Index Level is greater than or equal to the Initial Index Level:

$$\text{Issue Price} \times 100\%$$

- (b) if (A) a Trigger Event has occurred, and (B) the Final Index Level is less than the Initial Index Level:

$$\text{Issue Price} \times \frac{FIL}{IIL}$$

where:

"**Averaging Date**" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / [specify other date]];

"**Barrier**" means [•] per cent. of the Initial Index Level;

"**Barrier End Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares;

"**Barrier Period**" means the period from and including the Barrier Start Date to [and including / but excluding] the Barrier End Date;¹⁰

"**Barrier Start Date**" means [the Strike Date/ [specify other date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day,

¹⁰ In the case of the European option, "Barrier Period" and related definitions will not be applicable.

subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [*specify other date*];

"**Final Redemption Date**" means [*date*] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

["**Final Redemption Valuation Date**" means [*date*], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [*specify other*];¹¹

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation;

"**Strike Date**" means [*date*] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares; and

"**Trigger Event**" means the determination by the Preference Share Calculation Agent that [at any given time / as of the Valuation Time on any Exchange Business Day / [*specify other*]] [during the Barrier Period] [the level of the Index / the FIL] falls below the Barrier.

5. **Capital Less Down and In Barrier Plus Callable/Kickout Upside Notes**

Capital Less Down and In Barrier Plus Callable/Kickout Upside Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Less Down and In Barrier Plus Callable/Kickout Upside Preference Shares**"):

5.1 Automatic Early Redemption Amount

If on any Automatic Early Redemption Valuation Date_{*t*} (from and including $t = 1$ to and including $t = i$), the level of the Index as of the Valuation Time is greater than or equal to the relevant Automatic Early Redemption Level_{*t*} (as specified in the table below), an Automatic Early Redemption Event is deemed to have occurred and the Preference Shares shall be redeemed, and the Redemption Price equal to the Automatic Early Redemption Amount_{*t*} in respect of each Preference Share shall become payable, by the Company on the immediately following Automatic Early Redemption Date_{*t*} in accordance with the following table:

<i>t</i>	Automatic Early Redemption Valuation	Automatic Early	Automatic Early	Automatic Early
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¹¹ In the case of the American option, the definition of "Final Redemption Valuation Date" will be applicable.

	Date _t	Redemption Date _t	Redemption Amount _t	Redemption Level _t
1	[•]	[Strike Date + 2 years]	[•] per cent. of Issue Price	[•]
2	[•]	[Strike Date + 3 years]	[•] per cent. of Issue Price	[•]
3	[•]	[Strike Date + 4 years]	[•] per cent. of Issue Price	[•]
<i>up to and including t=i</i>				
<i>i</i>	[•]	[Strike Date + <i>i</i> +1 years]	[•] per cent. of Issue Price	[•]

5.2 Redemption Price at Maturity

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

- (a) if (i) a Trigger Event has not occurred; or (ii) (A) a Trigger Event has occurred, and (B) the Final Index Level is greater than or equal to the Initial Index Level:

$$Issue\ Price \times \left[100\% + \text{Max} \left(0, \text{Gearing} \times \frac{FIL - IIL}{IIL} \right) \right]$$

- (b) if (A) a Trigger Event has occurred, and (B) the Final Index Level is less than the Initial Index Level:

$$Issue\ Price \times \frac{FIL}{IIL}$$

where:

"Averaging Date" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / [specify other date]];

"Barrier" means [•] per cent. of the Initial Index Level;

"Barrier End Date" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares;

["**Barrier Period**" means the period from and including the Barrier Start Date to [and including / but excluding] the Barrier End Date;]¹²

["**Barrier Start Date**" means [the Strike Date/ [specify other date]] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares;]

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [specify other date];

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

["**Final Redemption Valuation Date**" means [date], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [specify other];]¹³

"**Gearing**" means [•] per cent.;

"**I**" means the number of Automatic Early Redemption Valuation Dates;

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation;

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares; and

"**Trigger Event**" means the determination by the Preference Share Calculation Agent that [at any given time / as of the Valuation Time on any Exchange Business Day / [specify other]] [during the Barrier Period] [the level of the Index / the FIL] falls below the Barrier.

6. **Capital Plus Minimum Upside Plus Capped/Uncapped Notes**

Capital Plus Minimum Upside Plus Capped/Uncapped Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Plus Minimum Upside Plus Capped/Uncapped Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall

¹² In the case of the European option, "Barrier Period" and related definitions will not be applicable.

¹³ In the case of the American option, the definition of "Final Redemption Valuation Date" will be applicable.

be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the following formula:

$$Issue\ Price \times \left[100\% + \text{Max} \left(\text{Minimum Return}, \text{Min} \left\{ \text{Cap}, \text{Gearing} \times \frac{FIL - IIL}{IIL} \right\} \right) \right]$$

where:

"Averaging Date" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / [specify other date]];

"Cap" means [•] per cent.;¹⁴

"Final Index Level" or **"FIL"** means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [specify other date];

"Final Redemption Date" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"Final Redemption Valuation Date" means [date], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [specify other date];

"Gearing" means [•] per cent.;

"Initial Index Level" or **"IIL"** means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"Issue Price" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation;

"Minimum Return" means [•] per cent.; and

"Strike Date" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

7. **Capital Plus Range Accrual Notes**

Capital Plus Range Accrual Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Plus Range Accrual Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall

¹⁴ In the case of uncapped Notes the definition of "Cap" will not be applicable and the reference to Cap will not be included in the formula.

be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the following formula:

$$Issue\ Price \times \left[\left(100\% + Minimum\ Return \right) + \left(Bonus\ Return \times \frac{NDIR}{NDIP} \right) \right]$$

where:

"**Bonus Return**" means [•] per cent.;

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation;

"**Minimum Return**" means [•] per cent.;

"**NDIP**" means the number of Scheduled Trading Days in the period from and including the Strike Date to [and including / but excluding] the [Final Redemption Date / [•]];

"**NDIR**" means the number of Scheduled Trading Days in the period from and including the Strike Date to [and including / but excluding] the [Final Redemption Date / [•]] where the level of the Index as of the Valuation Time is less than [•] and greater than [•] per cent. of the Initial Index Level; and

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

8. **Capital Plus Corridor 1 Touch Notes**

Capital Plus Corridor 1 Touch Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Plus Corridor 1 Touch Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

(a) if the Corridor Trigger Event has not occurred:

$$Issue\ Price \times (100\% + Bonus\ Return)$$

(b) if the Corridor Trigger Event has occurred:

$$Issue\ Price \times 100\%$$

where:

"**Bonus Return**" means [•] per cent.;

"**Corridor Trigger Event**" is deemed to have occurred if the Preference Share Calculation Agent determines that during the period from and including the [Strike Date / [specify other date]] to [and including / but excluding] the [Final Redemption Date / [specify other date]] the level of the Index [at any given time / as of the Valuation Time on any Exchange Business Day] is less than [•] per cent. and greater than [•] per cent of the Initial Index Level;

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"**Initial Index Level**" or "**ILL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation; and

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

9. **Capital Plus Callable/Kickout Upside Notes**

Capital Plus Callable/Kickout Upside Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Plus Callable/Kickout Upside Preference Shares**"):

9.1 Automatic Early Redemption Amount

If on any Automatic Early Redemption Valuation Date_{*t*} (from and including $t = 1$ to and including $t = j$), the level of the Index as of the Valuation Time is greater than or equal to the relevant Automatic Early Redemption Level_{*t*} (as specified in the table below), an Automatic Early Redemption Event is deemed to have occurred and the Preference Shares shall be redeemed, and the Redemption Price equal to the Automatic Early Redemption Amount_{*t*} in respect of each Preference Share shall become payable, by the Company on the immediately following Automatic Early Redemption Date_{*t*} in accordance with the following table:

<i>t</i>	Automatic Early Redemption Valuation Date _{<i>t</i>}	Automatic Early Redemption Date _{<i>t</i>}	Automatic Early Redemption Amount _{<i>t</i>}	Automatic Early Redemption Level _{<i>t</i>}
1	[•]	[Strike Date + 2 years]	[•] per cent. of Issue Price	[•]
2	[•]	[Strike Date + 3 years]	[•] per cent. of Issue Price	[•]
3	[•]	[Strike Date + 4 years]	[•] per cent. of Issue Price	[•]

years]

up to and including $t = i$

i [•] [Strike Date + $i+1$ years] [•] per cent. of Issue Price [•]

9.2 Redemption Price at Maturity

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the following formula:

$$\text{Issue Price} \times \left[100\% + \text{Max} \left(0, \text{Gearing} \times \frac{\text{FIL} - \text{IIL}}{\text{IIL}} \right) \right]$$

where:

"**Averaging Date**" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / Final Redemption Valuation Date / specify other date];

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date / [specify other date];

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"**Final Redemption Valuation Date**" means [date], provided that if such date is not a Scheduled Trading Day, [the immediately preceding Scheduled Trading Day shall be the Final Redemption Valuation Date] / [specify other];

"**Gearing**" means [•] per cent.;

"***i***" means the number of Automatic Early Redemption Valuation Dates;

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation; and

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

10. Capital Plus Cliquet with Global Floor Notes

Capital Plus Cliquet with Global Floor Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following ("**Capital Plus Cliquet with Global Floor Preference Shares**"):

Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares, the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the following formula:

$$Issue\ Price \times \left[100\% + \text{Max} \left(\text{Global Floor}, \sum_{n=i}^{n=1} \text{Index Return} \right) \right]$$

where:

"**Averaging Date**" means, in respect of each Period_n, each Scheduled Trading Date from and including the corresponding Averaging Start Date_n to [and including / but excluding] the corresponding Period End Date_n ;

"**Averaging Start Date**" means, with respect to each Period_n, the corresponding date listed in the middle column headed "Averaging Start Date_n" in the table in the definition of Period_n below;

"**Final Cliquet Level_n**" or "**FIL_n**" means, with respect to each Period_n, the daily arithmetic average of the [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date;

"**Global Floor**" means [•] per cent.;

"**i**" means the number of Period_n;

"**Index Return_n**" mean, with respect to each Period_n:

$$\frac{FIL - IIL}{IIL}$$

provided that the Index Return with respect to each Period_n shall not be less than Period Minimum and shall not be greater than the Period Maximum;

"**Initial Cliquet Level_n**" or "**IIL_n**" means:

- (a) with respect of the first Period_n, the level of the Index as of the Valuation Time on the Strike Date; and
- (b) with respect of every other Period_n (where $n = 2$ to $n = i$), the level of the Index as of the Valuation Time on the immediately preceding Period End Date_n (where $n = n - 1$);

"**Period_n**" means for each period from $n = 1$ to $n = i$ in the table below, from and including the Period Start Date_n to but excluding the corresponding Period End Date_n:

<i>n</i>	Period Start Date _n	Averaging Start Date _n	Period End Date _n
1	Strike Date	[•]	[•]

2	[•]	[•]	[•]
3	[•]	[•]	[•]
up to and including $n = i$			
i	[•]	[•]	[•]

"**Period End Date_n**" means, with respect to each Period_n, the corresponding date listed in the column headed "Period End Date_n" in the table in the definition of Period_n above;

"**Period Maximum**" means [•] per cent.;

"**Period Minimum**" means [•] per cent.; and

"**Period Start Date_n**" means, with respect to each Period_n, the corresponding date listed in the right-hand column headed "Period Start Date_n" in the table in the definition of Period_n above.

11. **Defensive Returns Notes**

Defensive Returns Notes are Zero Coupon Notes linked to a Class of Preference Shares (being Index Linked Shares) having redemption provisions similar to the following (the "**Defensive Returns Preference Shares**"):

[Unless previously redeemed or repurchased in accordance with the terms and conditions of the Preference Shares,] the Redemption Price payable by the Company in respect of each Preference Share on its Final Redemption Date shall be an amount in the Preference Share Currency determined by the Preference Share Calculation Agent in accordance with the applicable formula, as follows:

(a) if the Final Index Level is greater than [or equal to] the Call Strike Level:

$$(i) \quad Issue\ Price \times \left[1 + \text{Min} \left\langle \text{Call Cap}, \text{Max} \left\{ 0, \left(\text{Call Gearing} \times \frac{FIL - \text{Call Strike Level}}{\text{Call Strike Level}} \right) \right\} \right\rangle \right]$$

OR

(ii) Issue Price x Digital Return 1

(b) [if the Final Index Level is: (1) less than [or equal to] the Call Strike Level and (2) greater than [or equal to] the Put Strike Level:]¹⁵

Issue Price x Gearing

(c) if the Final Index Level is: (1) less than [or equal to] the Put Strike Level and (2) greater than or equal to the Barrier:

$$(i) \quad Issue\ Pr\ ice \times \left[1 + \text{Min} \left\{ \text{Put Cap}, \left(\left[\text{Put Gearing} \times \frac{FIL - \text{Put Strike Level}}{\text{Put Strike Level}} \right] \times -1 \right) \right\} \right]$$

¹⁵ In case of Notes for which the Call Strike Level and the Put Strike Level are equal to the Initial Index Level, this will be deleted and the formula will not be applicable.

OR

(ii) Issue Price x Digital Return 2

(d) if the Final Index Level is less than the Barrier:

$$Issue\ Price \times Max \left\{ 0, \left[1 - BarrierGearing \times \left(\frac{Barrier}{IIL} - \frac{FIL}{ILL} \right) \right] \right\}$$

where:

"**Averaging Date**" means each [Scheduled Trading Day] from and including [specify start date] to [and including / but excluding] the [Final Redemption Date / [specify other date]];

"**Barrier**" means [•] per cent. of the Initial Index Level;

"**Barrier Gearing**" means [•] per cent.;¹⁶

"**Call Gearing**" means [•] per cent.;

"**Call Strike Level**" means [[•] per cent. of] the Initial Index Level;

"**Call Cap**" means [•] per cent.;¹⁷

"**Digital Return 1**" means [•] per cent.;¹⁸

"**Digital Return 2**" means [•] per cent.;¹⁹

"**Final Index Level**" or "**FIL**" means the [daily arithmetic average of the] [official closing levels of the Index / levels of the Index as of the Valuation Time] on each Averaging Date [specify other date];

"**Final Redemption Date**" means [date] [or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares];

"**Gearing**" means [•] per cent.;

"**Initial Index Level**" or "**IIL**" means the [official closing level of the Index / level of the Index as of the Valuation Time] on the Strike Date;

"**Issue Price**" means the issue price of one Preference Share as specified in the relevant Preference Share Confirmation;

¹⁶ In the case of Notes which have no leverage factor upon calculation of redemption price below the Barrier, the definition of "Barrier Gearing" will not be applicable and the reference to Barrier Gearing will not be included in the formula.

¹⁷ In the case of Notes which have an uncapped payment on positive performance of the Index, the definition of "Call Cap" will not be applicable and the reference to Call Cap will not be included in the formula.

¹⁸ In case of Notes which do not have a Digital Return at the specified level, this will be deleted and the formula will not be applicable.

¹⁹ In case of Notes which do not have a Digital Return at the specified level, this will be deleted and the formula will not be applicable.

["**Put Cap**" means [•] per cent.];²⁰

"**Put Gearing**" means [•] per cent.;

"**Put Strike Level**" means [[•] per cent. of] the Initial Index Level; and

"**Strike Date**" means [date] or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to adjustment in accordance with paragraph 2 (*Disrupted Days*) of the additional terms and conditions of the Preference Shares.

²⁰ In the case of Notes which have an uncapped payment on negative performance of the Index, the definition of "Put Cap" will not be applicable and the reference to Put Cap will not be included in the formula.

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DESCRIPTION OF EVEN 30™ INDEX

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EVEN 30™ Index



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This document (the 'Index Description') summarizes the methodology and rules of the EVEN 30™ Index (the 'Index'). Last revision date: 17 August 2011.

Capitalized terms that are not defined in the text of this Index Description shall bear the meaning as defined in Section 8 – Definitions and Interpretation.

1. Introduction

1.1 Executive Summary

The EVEN 30™ Index represents a risk managed equity index, designed to track the price movements and reflect the performance of a dynamic portfolio of thirty equity securities traded on the London Stock Exchange.

The Index is constructed around a dynamic basket of equity securities. Thirty equity securities are selected on a monthly basis from a Selection Universe using a selection procedure. The selection is made using a risk-based analysis of the compounded returns of the individual equities over various historical periods.

The Index has been developed by Investec Bank plc as Index Sponsor and is independently calculated, published and rebalanced by Finvex Group as 'Calculation Agent'.

In order to ensure that the Index complies with the index objective, the Index Sponsor has the right to change the Index Rules, subject to the prior written consent of the Calculation Agent, and subject to Index amendment procedures described in Section 2.1.

The Index Sponsor and the Calculation Agent make no representation or warranty that the Index will achieve the index objective.

1.2 General Description

The overall objective of the Index is to reflect the performance of a certain equity investment strategy (the 'Index Objective').

Thirty securities are selected on a monthly basis from a selection universe comprising the 100 highest capitalised equity securities traded on the London Stock Exchange (the 'Selection Universe'). This selection is made by applying selection criteria and a selection procedure designed by the Index Sponsor, which seeks to identify stable companies based on a risk analysis of the compounded returns over various historical periods.

The Selection Procedure consists of several steps. Firstly, all equity securities traded on the London Stock Exchange and included in the Selection Universe are screened to ensure each Eligible Security is an operating company. Secondly, a series of proprietary selection criteria are applied. These criteria aim to determine those securities which demonstrate the most stable risk profile. The Selection Procedure is fixed and can only be altered according to the Index amendment procedures as described in Section 2.1.

On each Index Selection Date, 30 Eligible Securities are selected from the Selection Universe to constitute the Component Security Set, the so-called 'Equity Constituent' of the Index.

In order to optimize the stability of the Index, on any Index Calculation Date for which the Realized Volatility of the Equity Constituent is observed, the Index Allocation Percentage of the Equity Constituent may be adjusted. Where the Realized Volatility of the Equity Constituent is above the floating Target Volatility Level, the Index Allocation Percentage will be reduced. Conversely, where the Realized Volatility of the Equity Constituent is lower than the floating Target Volatility Level, the Index Allocation Percentage to the Equity Constituent will be increased, subject to a maximum exposure of 100%. The floating Target Volatility Level computed on each Index Calculation date is compared to the Realized Volatility of the Equity Constituent over the 22 preceding Index Calculation Dates and is applied to the Index.

The Component Securities of the Equity Constituent are equally-weighted in order to prevent a few large Component Securities from potentially distorting the Index risk or return.

The Index is calculated on a daily basis on each Index Calculation Date, on the following Close of Business and is based on Component Security Weights and Closing Prices.

The Index Level is expressed in GBP (the 'Index Reference Currency').

The Index has been constituted by the Index Sponsor, with an initial level of 1,000 (the 'Index Base Level') as of 16 January 1998 (the 'Index Base Date').

The Index will rebalance on a monthly basis, on each Index Rebalancing Date (being two Index Calculation Dates following the Index Selection Date in each month). On each Index Rebalancing Date the Component Security Weights are reset to 1/30th of the new Component Security Set.

Unless otherwise stated, all determinations of the Index Sponsor and Calculation Agent shall be made in accordance with the terms set out in this Index Description and, save for manifest error, all such determinations shall be binding.

2. Index construction

This section outlines the key steps followed in order to determine the composition of the Index, including Selection Criteria, Component Security Weight and scheduled Periodic Review, together the 'Selection Procedure'.

2.1 Discretion of the Index Sponsor

Subject to the prior written consent of the Calculation Agent (such consent not to be unreasonably withheld), the Index Sponsor shall have discretion to make any changes to the rules governing the design and calculation of the Index which it determines to be necessary in order to ensure that the Index complies with the Index Objective. All such determinations and amendments made by the Index Sponsor shall be final, conclusive and binding in the absence of manifest error.

Where the Index Sponsor exercises such discretion, this Index Description shall be updated as soon as reasonably practicable, further to a notification period of at least 5 Business Days following the date of any announcement. A record of such changes shall be kept in Appendix 3. Such notification will be agreed in writing between the Index Sponsor and the Calculation Agent and announced publicly via the RNS of the Index Sponsor. No notification period shall apply for changes due to market liquidity in relation to an Eligible Security or Component Security or due to Hedging Activity of the Index Sponsor and/or any of its affiliates.

Unless otherwise provided, all determinations made by the Index Sponsor in consultation with the Calculation Agent shall be made in good faith. Neither the Index Sponsor nor the Calculation Agent accept any liability whatsoever for any losses resulting from supplementing, amending or revising the Index Description.

All changes to the Index Rules shall be made in accordance with this Index Description.

2.2 Index Base Date, Index Reference Currency and Index Base Level

The Index has the following Index Base Date, Index Reference Currency and Index Base Level:

Index	Index Base Date	Index Reference Currency	Index Base Level
EVEN 30™ Index	16 January 1998	GBP	1,000

2.3 Selection Criteria

The Selection Universe consists of the securities issued by the 100 most highly capitalized corporates whose primary listing is on the London Stock Exchange.

In order to qualify as an Eligible Security, each such security must also satisfy the following requirements or Selection Criteria for each Index Selection Date:

- each Eligible Issuer, being a Component Security Issuer, must be an operating company; and
- each Eligible Issuer cannot be a Closed-End Fund, Exchange Traded Fund (ETF), Structured Investment Vehicle (SIV) or Royalty Trust.

Please note that prior to the Live Date for the EVEN 30™ Index, the above filter has not been applied to the historical constituents of the EVEN 30™ Index.

The securities to be included in the Index on the Index Base Date and on each Index Selection Date shall be selected on the following basis from amongst the Eligible Securities in the Selection Universe:

- The Eligible Securities are ranked by stability, based on the analysis of risk observed via the compounded price movements of each individual security over various periods of between 1 and 3 years. The selection methodology will attach more weight to long-term stability. The 30 most stable Eligible Securities on the Index Base Date and on each Index Selection Date will form the List of Eligible Securities (or 'LES' – the Component Securities which constitute the Index) in relation to the next following Index Rebalancing Date and shall be removed from the Selection Universe for the purpose of creating the Reserve List.
- Subsequently, the remaining Eligible Securities in the Selection Universe are arranged by GICS Sector and the most stable Eligible Security from each Sector is selected. These 10 Eligible Securities will form the Reserve List (or 'RL'). This list will be maintained for the purpose of potentially replacing Component Securities, as required, between two Periodic Reviews, as determined by the Calculation Agent in consultation with the Index Sponsor. A Component Security may only be replaced by an Eligible Security appearing on the RL within the same GICS Sector. If this is not possible, the Index Sponsor, in consultation with the Calculation Agent will determine in good faith the replacing Eligible Security.

The initial LES is provided in Appendix 1 and the initial RL is provided in Appendix 2.

The LES and the RL will be determined by the Index Sponsor and the Calculation Agent on each Index Selection Date, unless such day is a Disrupted Index Calculation Date, in which case the LES and RL will be determined on the next Index Calculation Date which is not a Disrupted Index Calculation Date (such date being the Index Selection Date).

The Index Sponsor may, in its sole and absolute discretion, take into account such other criteria in order to exclude any security as an Eligible Security if, in the Index Sponsor's opinion, and in consultation with the Calculation Agent, it is reasonable to do so. Examples of such criteria may include, without limitation: (a) restrictions related to the holding by the Index Sponsor (or any entity of the Index Sponsor) of any Component Security, or (b) uncertainty expressed by the Index Sponsor (or any entity of the Index Sponsor) concerning the tax treatment of any holding or proposed holding of any Component Security and/or of the dividends of any Component Security.

Neither the Index Sponsor nor the Calculation Agent accept or shall incur any liability for inaccuracies or errors in making any such selections.

Additional changes to the LES and/or to the RL may be required further to certain Corporate Actions affecting Eligible Issuers, Component Security Issuers or Component Securities as determined by the Calculation Agent together with the Index Sponsor.

The Index Sponsor will comply with the Selection Procedure described within this Index Description.

2.4 Equal Component Security Weight

The Component Security percentage amount included in the Equity Constituent is designed to be equal on each Index Rebalancing Date as set out in Section 3.3 and any Index Rebalancing will be effective on each Index Rebalancing Date.

2.5 Periodic Review

The Periodic Review is carried out in accordance with the following Review Timetable, using the latest available data:

Index Selection Date	means the fourteenth calendar day of each month unless such day is not an Index Calculation Date in which case the next following Index Calculation Date shall be the Index Selection Date. The Index Base Date is 16 January 1998, using data available at Close of Business on 14 January 1998. New Component Securities for the Index are determined, based on the Selection Universe available, on each Index Selection Date, unless such day is a Disrupted Index Calculation Date, in which case such determination will be made on the next following Index Calculation Date.
Index Rebalancing Date	means two Index Calculation Dates following the Index Selection Date in each month when any replacement of Component Securities with New Component Securities selected on an Index Selection Date shall be made and Component Security percentage amounts are reset, unless such day is a Disrupted Index Calculation Date, in which case such Index Rebalancing Date shall be the next following Index Calculation Date which is not a Disrupted Index Calculation Date.
Index Rebalancing Period	means the period between two Index Rebalancing Dates.

On each Index Selection Date, the Index Sponsor shall provide the Calculation Agent with the new LES and the new RL, such that the Calculation Agent may perform the Index Rebalancing on the Index Rebalancing Date.

The Calculation Agent shall determine, on the basis of information provided by the Index Sponsor (i) the composition of the Index on the Index Base Date and (ii) any changes to the composition of the Index to be made on each Index Rebalancing Date, in relation to each Index Rebalancing Period.

2.6 Dividend Treatment

The Index is a price return index that uses the Closing Price of each of the 30 Component Securities, net of dividends. There are no dividend reinvestments in the Index.

3. Index composition

The Index Level on each Index Calculation Date t (the 'Index Level' or ' $I(t)$ ') is calculated using the following formula:

3.1 Price Return Component Security – Calculation

The Price Return of each Component Security i included in the Component Security Set of k -th Index Rebalancing is calculated on each Index Calculation Date t , provided a Closing Price has been published for that day.

$$P_{k,i}(t_0) = S_{k,i}(t_0)$$

$$P_{k,i}(t) = P_{k,i}(t-1) \times \frac{S_{k,i}(t)}{S_{k,i}(t-1)}$$

t is the Index Calculation Date t which is different to t_0 ;

t_0 is the Index Base Date and afterwards, the 22nd Index Business Day prior to the k -th Index Rebalancing Date;

k is the k -th Index Rebalancing;

I_k is the Component Security Set of k -th Rebalancing;

(k,i) is the i -th Component Security of I_k ;

$S_{k,i}(t)$ is the Closing Price of Component Security (k,i) on Index Calculation Date t ;

$P_{k,i}(t)$ is the Price Return of Component Security (k,i) on Index Calculation Date t ;

3.2 Rebalanced Component Security Set – Calculation

During each k -th Index Rebalancing Period, the Rebalanced Component Security Set value is computed on each Index Calculation Date t provided that a Price Return has been published on that day for each Component Security i since the relevant Index Rebalancing Date t_k . It reflects the Rebalanced Component Security Set value calculated on the Index Rebalancing Date t_k multiplied by the weighted Sum of the Price Return of each Component Security i included in the Component Security Set of k -th Index Rebalancing. The Rebalanced Component Security Set value on the Index Base Date is automatically set equal to 1.

As a formula:

$$\forall i \in I_k, \forall k \in K \text{ and } \forall t_k \leq t \leq t_{k+1}$$

$$\begin{cases} B(t) = B(t_k) \times \left[\sum_{i \in I_k} cw_{k,i} \times \frac{P_{k,i}(t)}{P_{k,i}(t_k)} \right] \\ B(t_0) = B(t_k) = 1 \end{cases}$$

Notations:

t_0 is the Index Base Date;

t is the Index Calculation Date t ;

t_k is the k -th Index Rebalancing Date;

t_{k+1} is the $k+1$ -th Index Rebalancing Date;

K is the Set of k -th Index Rebalancings;

$P_{k,i}(t)$ is the Closing Price of Component Security (k,i) on Index Calculation Date t ;

$B(t)$ is the Rebalanced Component Security Set value on Index Calculation Date t ;

$cw_{k,i}$ is the weight in percentage of Component Security (k,i) to be included in I_k of k -th Index Rebalancing Date, defined in Section 3.3.

3.3 Component Security Set – Rebalancing

On each Index Rebalancing Date tk , the previous Component Security Set of $k-1$ -th Index Rebalancing Period is rebalanced in accordance with the provisions outlined in Section 2 in order to determine the new Component Security Set with effect from the k -th Index Rebalancing Date.

This new Component Security Set is determined by adding the newly selected Component Securities; i.e. the Component Securities not comprised in the Component Security Set of $k-1$ -th Index Rebalancing to the old Component Securities that were already selected in the Component Security Set of $k-1$ -th Index Rebalancing and removing the old Component Securities that are not selected.

As a Formula:

$$\forall k \in K$$

$$I_k = (I_{k-1}^{out}) \cup I_k^{in}$$

Notations:

K is the Set of k -th Index Rebalancings;

k is the k -th Index Rebalancing;

I_k is the Component Security Set of k -th Index Rebalancing;

I_k^{out} is the Component Securities to be removed from Component Security Set on k -th Index Rebalancing Date;

I_k^{in} is the Component Securities to be included in the Component Security Set on k -th Index Rebalancing Date.

The Purpose of the Rebalancing is to effect a re-allocation of the Index Level from the previous Component Securities to the new Component Securities. Accordingly, for the determination of the Component Security Weight of each new Component Security i and of each remaining old Component Security i on the Index Rebalancing Date t_k , the equal-weighted methodology is applied to re-set the weighting of each Component Security i to be equal to $1/\text{Card}(I_k)^{th}$ of the new Component Security Set, $\text{Card}(I_k)$ corresponding to the total number of Component Securities constituting the new Component Security Set resulting from the k -th Index Rebalancing.

As a formula:

$$\forall k \in K \text{ and } \forall i \in I_k$$

$$cw_{k,i} = \frac{1}{\text{Card}(I_k)}$$

$$\sum_{i \in I_k} cw_{k,i} = 1$$

Notations:

K is the Set of k -th Index Rebalancings;

k is the k -th Index Rebalancing;

tk is the k -th Index Rebalancing Date;

I_k is the Component Security Set of k -th Index Rebalancing;

$\text{Card}(I_k)$ is the Cardinality of I_k which corresponds to the number of Component Securities Set of k -th Index Rebalancing;

$cw_{k,i}$ is the equal weight in percentage of Component Security (k,i) to be included in I_k of k -th Index Rebalancing Date.

For the avoidance of any doubt and unless otherwise agreed between the Index Sponsor and the Calculation Agent, any changes to the Component Security Set occurring between two Index Rebalancing Dates requires a notification period of at least 5 Business Days between the date of the announcement of such changes and the effective date of any such changes. Such changes include:

1. An Index Rebalancing, where a new Eligible Security is introduced from the RL in order to replace a Component Security which has ceased to trade; and/or
2. A price adjustment which has occurred since the last Index Rebalancing Date (e.g. stock splits or other events that have no impact on the valuation of the underlying company, but can have a diluting or concentrating effect on the value of each individual share); and/or
3. Any other adjustment defined in Section 4 or adjustment as the Index Sponsor deems appropriate, in consultation with the Calculation Agent.

In each case, the Index Sponsor, in consultation with the Calculation Agent, shall decide whether or not to make the adjustments in order to maintain the stability and consistency of the Index as it deems necessary.

3.4 Target allocation – Calculation

During each k -th Index Rebalancing Period, a Dynamic Exposure Factor is applied on each Index Calculation Date t to the effective Rebalanced Component Security Set (i.e. the Equity Constituent of the Index) to determine the Index Level as described in the Index Calculation outlined in Section 3.5.

The Dynamic Exposure Factor, i.e. the Index Allocation Percentage to the Rebalanced Component Security Set, is determined on the basis of a Dynamic Target Exposure Factor determined daily by reference to a floating Target Volatility Level and to the Realised Volatility of the Rebalanced Component Security Set corresponding to the last known static Rebalanced Component Security Set as defined on the Index Rebalancing Date t_k and which is effective from Index Rebalancing Date t_k up to Index Rebalancing Date t_{k+1} .

The maximum Index Allocation Percentage to the Rebalanced Component Security Set derived on each Index Calculation Date t during each Index Rebalancing Period from the Target Dynamic Exposure Factor is fixed at 100%.

As a formula:

$$\forall t_k \leq t \leq t_{k+1}$$

$$w_{tg(t)} = \text{Min} \left(\text{Max} \left(\frac{TVL(t)}{\sigma_{B_k}^{histo}(t)}, 0\% \right), 100\% \right)$$

Where:

$$TVL(t) = \left(50\% \times \sigma_{SU_k}^{histo}(t) \right) + 5\%$$

$$w_0 = w_1 = w_{tg(0)}$$

Notations:

t is the Index Calculation Date t ;

t_k is the k -th Index Rebalancing Date;

t_{k+1} is the $k+1$ -th Index Rebalancing Date;

w_t is the Index Allocation Percentage to the Rebalanced Component Security Set on Index Calculation Date t ;

w_0 is the Index Allocation Percentage to the Rebalanced Component Security Set on t_0 ;

$w_{tg(t)}$ is the Index Target Allocation Percentage to the Rebalanced Component Security Set on the Index Calculation Date t ;

$\sigma_{B_k}^{histo}(t)$ is the Realized Volatility of k -th last known Rebalanced Component Security Set on the Index Calculation Date t (as outlined below);

$TVL(t)$ is the floating Target Volatility Level;

$\sigma_{SU_k}^{histo}(t)$ is the Realized Volatility of k -th last known Selection Universe on the Index Calculation Date t (as outlined below);

The Dynamic Exposure Factor is derived on each Index Calculation t from the Target Dynamic Exposure Factor as follows:

$$\forall t_k \leq t \leq t_{k+1}$$

$$(i) \text{ If } w_t < 97.5\% \times w_{tg(t)} \text{ or } w_t > 102.5\% \times w_{tg(t)} \rightarrow w_{t+2} = w_{tg(t)},$$

the Index re-allocation Percentage on Index Calculation Date $t+2$ correspond to the Index Target Allocation Percentage calculated on Index Calculation Date t ;

$$(ii) \text{ If } 97.5\% \times w_{tg(t)} \leq w_t \leq 102.5\% \times w_{tg(t)} \rightarrow w_{t+2} = w_t,$$

the Index re-allocation Percentage on Index Calculation Date $t+2$ correspond to the Index Allocation Percentage on Index Calculation Date t ;

$$(iii) \text{ If } w_{t+1} = w_{tg(t-1)}$$

$w_{tg(t-1)}$ and $w_{tg(t)}$ will be compared as follows to determine the Index re-allocation Percentage on Index Calculation Date $t+2$:

$$(iii.a) \text{ If } w_{tg(t)} < 97.5\% \times w_{tg(t-1)} \text{ or } w_{tg(t)} > 102.5\% \times w_{tg(t-1)} \rightarrow w_{t+2} = w_{tg(t)},$$

$$(iii.b) \text{ If } 97.5\% \times w_{tg(t-1)} \leq w_{tg(t)} \leq 102.5\% \times w_{tg(t-1)} \rightarrow w_{t+2} = w_{t+1}.$$

For the avoidance of doubt, the first effective Index Allocation Percentage to the Rebalanced Component Security Set (based on the Index Target Allocation Percentage calculated on the 1st Index Calculation Date following the Index Base Date) will occur on the 3rd Index Calculation Date following the Index Base Date. On the Index Base Date and on the 1st

Index Calculation Date following the Index Base Date, the values of the Dynamic Exposure Factor will be automatically set at the Index Target Allocation Percentage calculated on the Index Base Date on the basis of the initial Component Security Set.

Moreover, both Index Allocation Percentages to the Rebalanced Component Security Set (target and effective, as outlined here above) are rounded up to two decimal places (i.e. to the percentage point) on each Index Calculation Date.

On each Index Calculation Date t , the effective Realised Volatility (for the last known Rebalanced Component Security Set as well as for the last known Selection Universe) are used to calculate the Target Dynamic Exposure Factor on Index Calculation Date t .

As a formula:

for $t \leq t_{k+1}$

$$B_k^{static}(t) = B_k^{static}(t_k) \times \sum_{i \in I_k} cw_{k,i} \times \frac{P_{k,i}(t)}{P_{k,i}(t_k)}$$

$$\sigma_{B_k}^{histo}(t) = \sqrt{\frac{252}{21} \sum_{l=1}^{22} (R_{B_k}(t+1-l) - M_{B_k}(t))^2}$$

and similarly:

$\forall t$

$$SU_k(t) = SU_k(t-1) \times \frac{SU_k(t)}{SU_k(t-1)}$$

$$\sigma_{SU_k}^{histo}(t) = \sqrt{\frac{252}{21} \sum_{l=1}^{22} (R_{SU_k}(t+1-l) - M_{SU_k}(t))^2}$$

Notations:

t is the Index Calculation Date t ;

$cw_{k,i}$ is the equal weight in percentage of Component Security (k,i) to be included in I_k of k -th Index Rebalancing Date;

I_k is the last known static Rebalanced Component Security Set of k -th Index Rebalancing;

$\sigma_{B_k}^{histo}(t)$ is the realised Volatility of k -th last known Rebalanced Component Security Set on Index Calculation Date t ;

$\sigma_{SU_k}^{histo}(t)$ is the Realized Volatility of k -th last known Selection Universe on the Index Calculation Date t ;

$R_{B_k}(t)$ is the 1-Index Calculation Date Log Return of the k -th last known Rebalanced Component Securities Set on Index Calculation Date t which results from the following equation:

$$R_{B_k}(t) = \left(\frac{B_k^{static}(t)}{B_k^{static}(t-1)} \right)$$

$P_{k,i}(t)$ is the Closing Price of Component Security (k,i) on Index Calculation Date t ;

$R_{SU_k}(t)$ is the 1-Index Calculation Date Log Return of of k -th last known Selection Universe on Index Calculation Date t which results from the following equation:

$$R_{SU_k}(t) = \left(\frac{SU_k(t)}{SU_k(t-1)} \right)$$

$M_{B_k}(t)$ is the mean of the 1-Index Calculation Date Log Returns of the k -th last known Rebalanced Component Securities Set computed on Index Calculation Date t over the 22 preceding Index Calculation Dates which results from the following equation:

$$M_{B_k}(t) = \frac{1}{22} \sum_{l=1}^{22} (R_{B_k}(t+1-l))$$

$B_k^{Static}(t)$ is the k -th last known Rebalanced Component Security Set value on Index Calculation Date t ;

$M_{SU_k}(t)$ is the mean of the 1-Index Calculation Date Log Returns of the k -th last known Selection Universe computed on Index Calculation Date t over the 22 preceding Index Calculation Dates which results from the following equation:

$$M_{SU_k}(t) = \frac{1}{22} \sum_{i=1}^{22} (R_{SU_k}(t+1-i))$$

$SU_k(t)$ is the k -th last known Selection Universe value on Index Calculation Date t .

3.5 Index – Calculation

The Index Level is rebalanced on each Index Calculation Date t according to the Dynamic Exposure Factor computed for the same day. On the Index Base Date, the Index Level is set equal to 1000.

As a Formula:

$$I(t_0) = 1000$$

$$I(t+1) = I(t) \times \left[1 \times w_t \times \left(\frac{B(t+1)}{B(t)} - 1 \right) \right]$$

Notations:

t_0 is the Index Base Date;

t is the Index Calculation Date t ;

$I(t)$ is the Index Level on Index Calculation Date t ;

w_t is the Index Allocation Percentage in the Rebalanced Component Security Set on Index Calculation Date t ;

$B(t)$ is the Rebalanced Component Security Set value on Index Calculation Date t .

For the avoidance of doubt, as used in this Index Description, (A) in relation to a term of any formula, 't' means the value of that term on the relevant Index Calculation Date and, in relation to other terms in that formula: (a) references to 't' shall be to the value of that term on the same Index Calculation Date; and (b) references to 't' plus or minus specified number (i.e. 't+1'; 't+2' or 't-1') shall be to the value of that term on the Index Calculation date falling that specified number of Index Calculation dates after or before, as the case may be, the Index Calculation Date to which 't' relates and (B) in relation to any Index Calculation Date, 't' means the relevant Index Calculation Date, references to plus or minus a specified number (i.e. 't+1'; 't+2' or 't-1') shall be to the Index Calculation Date falling that specified number of days after or before, as the case may be, the Index Calculation Date to which 't' relates.

4. Index Adjustments

This section describes the circumstances and conditions under which adjustments to the Index (the 'Index Adjustments') may be made by the Calculation Agent.

4.1 Scheduled Component Security Changes and Review

The Index shall be reviewed each month of each year by the Calculation Agent based on information provided to it by the Index Sponsor and in accordance with the Review Timetable, as outlined in Section 2.5 above, effective on each Index Rebalancing Date. The review is carried out in order to update the LES and the RL. Other changes to the Index may take effect at the Index Sponsor's discretion and in accordance with Section 2.1 and Section 6. For the avoidance of doubt, (a) any Index Rebalancing Date may be redefined and/or (b) any additional Index Rebalancing Dates may be introduced at the Index Sponsor's discretion, further to consultation with the Calculation Agent.

4.2 Index Adjustments following a Corporate Action

Adjustments to the Index may be required on the occurrence of a Corporate Action (other than a dividend distribution related to one of the Component Securities and as such term is defined under Section 4.6).

Upon the announcement of a Corporate Action, the Calculation Agent shall determine, in its sole and absolute discretion and in consultation with the Index Sponsor, whether such Corporate Action has a diluting or concentrative effect on the theoretical value of the relevant Component Security or Securities, as the case may be, and, if so, will, (i) make the corresponding adjustment, if any, to the Index as the Calculation Agent determines appropriate to account for such diluting or concentrative effect and (ii) determine the effective Index Calculation Date of the adjustment. The Calculation Agent may, but shall not be obliged to, determine the appropriate adjustment to be made by reference to the adjustment in respect of such Corporate Action provided for in the indicative list attached in Appendix 4.

4.3 Index Adjustments following an Extraordinary Event

Adjustments to the Component Securities may occur on any date that falls between two Index Rebalancing Dates if, in the sole discretion of the Calculation Agent, after consultation with the Index Sponsor, determines and announces that an Extraordinary Event (as such terms defined under Section 4.6), in respect of the relevant Component Securities, has occurred or is about to occur.

In such case, the Calculation Agent shall adjust the Index as it determines appropriate, and such adjustment may be determined by reference to the adjustment in respect of such Extraordinary Event provided for in the indicative list attached in Appendix 5.

In effecting such adjustments, the Calculation Agent may, in consultation with the Index

Sponsor, remove from the Index any affected Component Securities and/or select one or more other Eligible Securities to replace such Component Security. The Calculation Agent shall determine the effective date of the adjustment, in its sole discretion after consultation with the Index Sponsor, which cannot occur earlier than 5 Business Days following the date of its announcement by the Index Sponsor.

The Index Sponsor shall maintain the RL for the Index at all times. The Index Sponsor may, but shall not be obliged to, include at least ten Eligible Issuers on each Index Rebalancing Date in the RL. Any affected Component Securities removed from the Index shall be replaced by the Eligible Securities from the RL, belonging to the same GICS sector.

4.4 Disruption Events

4.4.1 Market Disruption Event

Upon the occurrence of a Market Disruption Event on any Index Calculation Date, the Calculation Agent may, in its sole discretion after consultation with the Index Sponsor, deem and announce such a day either: (i) to be an Index Calculation Date and publish the Index Level using either: (a) the last reported Closing Price of the relevant Component Securities, (b) a good faith estimate of the value of the relevant Component Securities, or (c) a deemed value of zero for the relevant Component Security for the purposes of calculating the Index Level, or (ii) not to be an Index Calculation Date and as a consequence not calculate and publish the Index Level in respect of such day but only for a period not exceeding eight (8) Business Days. In such case, the first succeeding Index Calculation Date on which there is no Market Disruption Event as determined by the Calculation Agent, in its sole discretion and in consultation with the Index Sponsor, shall be the Index Calculation Date. Notwithstanding anything to the contrary in the foregoing, on the eighth (8th) Business Day, the Calculation Agent may either resume the calculation and publication of the Index Level having regard to the then prevailing market conditions, the last reported Closing Price of the relevant Component Securities or make such adjustment to the Index as it deems appropriate, including, but not limited to, replacing such affected Component Securities with other Eligible Securities from the RL.

The aim of such Calculation Agent adjustments is to maintain, the basic principles and economic effect of the Index.

4.4.2 Additional Disruption Event

If the Calculation Agent, in consultation with the Index Sponsor, determines and announces the occurrence of any of the following: (a) a failure of trading to commence, or the permanent discontinuation of trading in any Component Security, (b) the number of the Component Securities traded on any relevant date is materially reduced or the liquidity in the market for any Component Security is otherwise reduced for any reason, (c) a change in, or amendment to, the laws, rules or regulations (including without limitation, any tax law) relating to any Component Security or a change in any application or interpretation of such laws, rules or regulations (including without limitation, any tax law), (d) trading or settlement in respect of any Component Security is subject to any material disruption temporarily or permanently, (each being an 'Index Adjustment Event'), then the Calculation Agent shall make any such adjustment to the Index as it deems appropriate, in its sole and absolute discretion within 5 Business Days from the date of announcement of such adjustment, including, but not limited to, the following adjustments:

- (i) selection of a successor Component Security to any affected Component Securities in accordance with the Component Security changes and review provisions as set out above;
- (ii) calculation of a substitute level for the affected Component Securities based on but not restricted to, the last published Closing Level of the affected Component Securities;
- (iii) any other adjustment as the Calculation Agent, in consultation with the Index Sponsor deems necessary or appropriate;
- (iv) permanent cessation of the calculation and publishing of the Index Level if, in the sole determination of the Calculation Agent after consultation with the Index Sponsor, this is considered to be the preferred solution as determined in good faith between such parties.

4.4.3 Corrections

If the Index Sponsor becomes aware that the level of the Component Securities or any other information used by it in connection with any calculation, determination or adjustment in respect of the Index and this Description has been corrected or adjusted, the Calculation Agent, in consultation with the Index Sponsor may, but shall not be obliged to use such corrected level or adjusted value, or other information and as consequence make any change, adjustment, determination or calculation it announces and, after having complied with a notification period of at least 5 Business Days, determines necessary or desirable to give effect to, or reflect such corrected or adjusted level or value or other information. No liability can be accepted for any losses resulting from such corrections.

4.5 Force Majeure Event

If a Force Majeure Event subsists or occurs on any Index Calculation Date that, in t affects the determinations in respect of the Index on such Index Calculation Date, the Calculation Agent may, in its sole and absolute discretion:

- (i) make such determinations and/or adjustments (with the written consent of the Index Sponsor) to the terms of this Description relating to the Index as it considers appropriate to determine the Index on such Index Calculation Date and, if the Index Sponsor determines appropriate, on any Index Calculation Date hereafter; and/or
- (ii) postpone calculation and publication of the Index Level until the next Index Calculation Date on which it determines that no Force Majeure Event exists; and/or
- (iii) permanently cease to calculate and publish the Index Level where this is considered to be the preferred solution as determined in good faith between the Calculation Agent and the Index Sponsor.

4.6 Definitions

For the purposes of this Section 4:

'Closing Level' means, in relation to the Component Securities, the closing level of the Component Security on the Exchange on the relevant Index Calculation Date and as determined by the Calculation Agent.

'Corporate Action' means the occurrence of any of the following:

(a) a subdivision, consolidation or reclassification of the relevant Component Securities (unless resulting in a Merger Event), or a free distribution or dividend of any such Component Securities to existing holders by way of bonus, capitalization or similar issue; or

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

(c) an extraordinary dividend as determined by the Calculation Agent, in its sole discretion after consultation with the Index Sponsor; or

(d) a call by a Component Security Issuer in respect of relevant Component Securities that are not fully paid; or

(e) a repurchase by a Component Security Issuer or any of its subsidiaries, of relevant Component Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

(f) in respect of a Component Security 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 Component Security Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs 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, in its sole discretion after consultation with the Index Sponsor, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other event that has or may have, in the opinion of the Calculation Agent and consultation with the Index Sponsor, a diluting, concentrative or other effect on the theoretical value of the relevant Component Securities.

'Exchange' means in relation to each Component Security the stock exchange on which such Component Security is principally traded, as determined by the Index Sponsor in consultation with the Calculation Agent.

'Exchange Disruption' means any event that in the determination of the Calculation Agent after consultation with the Index Sponsor, disrupts or impairs the ability of market participants in general to: (i) effect transactions in, or obtain market values for Component Securities that comprise 20% or more of the Index Level on any relevant exchange; or (ii) effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any Exchange.

'Extraordinary Event' means the occurrence of any of the following:

(a) 'Insolvency' means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Component Security Issuer, as the case may be, (i) all the Component Securities of that Component Security Issuer, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Component Securities of that Component Security issuer, as the case may be, become legally prohibited from transferring them; or

(b) 'Insolvency Filing' means that a Component Security 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 organization 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 Component Security Issuer shall not be deemed an Insolvency Filing; or

(c) 'De-Listing' means, in respect of any relevant Component Security, the Exchange announces that pursuant to the rules of such Exchange, such Component Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union); or

(d) 'Merger Event' meaning, in respect of relevant Component Securities, any (i) reclassification or change of such Component Securities that results in a transfer of or an irrevocable commitment to transfer all of such Component Securities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding Component Securities exchange of a Component Security Issuer, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding Component Securities exchange in which such Component Security Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Component Securities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Component Securities of the Component Security, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Component Securities (other than such Component Securities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding Component Securities exchange of the Component Security Issuer or its subsidiaries, as the case may be, with or into another entity in which the Component Security Issuer, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Component Securities outstanding but results in the outstanding Component Securities (other than Component Securities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Component Securities immediately following such event; or

(e) 'Nationalisation' means that all the Component Securities or all or substantially all the assets of the share company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(f) 'Tender Offer' meaning 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 50% and less than 100% of the outstanding voting share of the Component Security Issuer, as the case may be, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent, in its sole determination after consultation with the Index Sponsor, deems relevant; or

'Force Majeure Event' means an event or circumstance (including, without limitation, a systems failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption, expropriation or confiscation by any authority to which it is subject to, which deprives the Calculation Agent of substantially all of its assets) that affects the ability of the Calculation Agent to calculate or determine the Index and which is beyond the reasonable control of the Index Sponsor.

'Market Disruption Event' means, in respect of a Component Security, the occurrence or the existence of (i) on any Index Calculation Date during the hour preceding the Valuation Time on the relevant Exchange, any suspension or limitation imposed on trading or the disruption or impairment in the ability of the market participants in general to effect transactions in (by reason of movements in price reaching or exceeding limits permitted by the relevant Exchange or otherwise) one or more Component Securities on a relevant Exchange or any other Exchange on which such Component Securities are listed, if, in the determination of the Calculation Agent after consultation with the Index Sponsor, such suspension or limitation is material, (ii) an Exchange Disruption which the Calculation Agent, in consultation with the Index Sponsor, determines is material at any time during the hour preceding the Valuation Time on the relevant Exchange or for more than two hours during the relevant Scheduled Trading Day, or (iii) a Scheduled Trading Day on which the relevant Exchange fails to open for trading during its regular trading session.

'Scheduled Trading Day' means any day on which the relevant Exchange is scheduled to be open for trading for its regular trading sessions.

'Valuation Time' means the scheduled closing time of the Exchange.



5. Index Calculation Frequency and Publication

5.1 Index Calculation

The Index is calculated and published by the Calculation Agent following the Close of Business, on each Index Calculation Date. The Calculation Agent shall aim to publish the Level of the Index by the end of the following Index Calculation Date. The Index Level is to be rounded to two decimal places.

5.2 Index Publication

The Calculation Agent will publish the Index via Bloomberg under the ticker symbol EVEN 30™ <Index> and on any other data provider as the Index Sponsor reasonably deems appropriate. The last available Closing Price is to be used on any day where the Component Security does not trade, be it due to market closure, trading suspension or otherwise, subject to the provisions of Section 4 above.

Any Index Rebalancing, change, correction or event affecting the Index shall be available on request to the Calculation Agent or published in any other appropriate manner by the Index Sponsor as soon as practicable.

5.3 Input Data

The Calculation Agent uses various quality assurance tools to audit, monitor, and maintain the accuracy of its input data. While every reasonable effort is taken to ensure high standards of data integrity, there is no guarantee made for errors and the Calculation Agent and/or the Index Sponsor can not accept any liability for errors or inaccuracies in prices, calculations and the publication of any data and shall not be responsible for any inaccuracies or errors in the Index as a result of such inaccuracies or errors. Please refer to Section 5.4 – Data Correction for further details.

The Index is calculated using the Closing Prices issued by the relevant Exchange for each Component Security in the Index. If such relevant Exchange changes any Closing Price, such amended Closing Price will be used to calculate the Index. A final check of Closing Prices is to be carried out on each Index Calculation Date between one hour and one hour and a half following the Close of Business.

Such time frame for amendments may be amended at the Calculation Agent's determination after consultation with the Index Sponsor on days where the trading volume is unusually large at the Close of Business. Only changes received prior to such final check will be used in the calculation of the Index.

5.4 Data Correction

Where the Index is calculated on the basis of an incorrect Component Security or incorrect Corporate Action or other incorrect data and the Calculation Agent becomes aware of any such error, and after consultation with the Index Sponsor, it will effect all necessary adjustments to the Index as soon as practicable and make an announcement of the intended corrective action. Such corrective action may include changing the level of some or all historical Index Levels that may have been affected by such incorrect data. Neither the Index Calculation Agent nor the Index Sponsor shall take any responsibility for such incorrect data, any consequent corrections or the impact on the Index Level.

6. Modifications of the Index Description, change in the Index Methodology and Termination

6.1 Modifications of the Index Description

The Index Description may be supplemented, amended in whole or in part, revised, modified or withdrawn at any time. Such supplements, amendments, revisions, modifications and withdrawals may lead to changes in the Index methodology and the way in which the Index is constructed, calculated and maintained or affect the Index in another way.

Any adjustment proposed and announced by the Calculation Agent which are of a formal, minor or technical nature or are made to correct a manifest or proven error and which are not in conflict with the interests of any affected parties, may be effected to the extent that the Calculation Agent, with the written consent of the Index Sponsor (such consent not to be unreasonably withheld), deems it relevant provided that a notification period of at least 5 Business Days shall be observed between the date on which a proposed change to the Index Description is announced and the date on which such change becomes effective.

Any adjustment resulting from any such supplements, amendments, revisions or modifications shall be made available to interested parties as soon as practicable and in such manner as the Index Sponsor deems appropriate.

No liability can be accepted by the Index Sponsor and/or the Calculation Agent for any losses resulting from supplementing, amending, revising or withdrawing the Index Description.

6.2 Change in the Index Methodology

In calculating and determining the value of the Index, the Calculation Agent will employ the methodology described above. While the Calculation Agent currently employs the above described methodology to calculate the Index, no assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting transactions on the same or similar terms to any Component Security) will not arise that would, in the view of the Index Sponsor, necessitate or make desirable a modification or a change to such methodology. The Calculation Agent, with the written consent of the Index Sponsor, shall be entitled to make any such modification or change.

The Index Sponsor may announce modifications to the terms of the Index and make them in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any ambiguity or defective provision contained in this Index Description. In particular, but without limitation, the Index Sponsor, subject to the prior written consent of the Calculation Agent, may change the frequency of calculation of the Index Level at any time, and make such adjustment to the methodology described in this Description as it deems necessary, to take account of the amended frequency of calculation. The Index Sponsor will make available any such modification or change and the effective date thereof and will record such modification or change in Appendix 3, subject to a notification period as per Section 2.1.

Further to a Change in Index Modification and subject to Section 2.1, the most recent version of the Index Description shall be deemed to be in force from the date of such modification and replace in its entirety the preceding version of the Index such that in the event of any conflict between the preceding version and the most recent version, the most recent version of the Index shall prevail.

Any changes referred to in this Section 6 shall only be made with the prior written consent of the Calculation Agent.

6.3 Termination

The calculation and dissemination of the Index may, at any time and without notice, be terminated.



7. Disclaimers

Although the Index Sponsor shall obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable, the Index Sponsor shall not independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included herein. The Index Sponsor is under no obligation to advise any person of any error in the Index.

The Index Sponsor makes no express or implied representation or warranty concerning : (i) the accuracy or completeness of this Index Description, (ii) whether or not the Index may achieve any particular level or meet or correlate with any particular objective or (iii) the fitness for any purpose of the Index or this Index Description.

The Index Sponsor accepts no liability resulting from the wilful negligence, fraud, or default of any person in connection with (i) this Index Description and (ii) its publication and dissemination of the Index.

While the Calculation Agent will make reasonable efforts to ensure the accuracy of the composition, calculation, publication and adjustment of the Index in accordance with this Index Description, the Calculation Agent shall have no liability in the back-dated calculation prior to the Live Date or in relation to any index calculation for any error, omission, suspension or interruption in calculating the Index. Although some adjustments or calculation information have been provided by the Calculation Agent, such adjustments or calculations are based on information furnished by third parties believed to be reliable, the accuracy and completeness of such information has not been verified by the Calculation Agent.

Neither the Calculation Agent nor the Index Sponsor can be held liable for any modification or change in the Index methodology used in the calculation the Index.

Neither the Calculation Agent nor the Index Sponsor are under obligation to continue the calculation, publication or dissemination of the Index and cannot be held liable for any suspension or interruption in the calculation, publication and dissemination of the Index.

The Calculation Agent and the Index Sponsor shall not have any liability whether by wilful negligence, fraud or default in connection with the Index Level at any given time. None of the Calculation Agent and the Index Sponsor shall be liable whether by wilful negligence, fraud or default to any person for any error in the Index and the Index Sponsor and Calculation Agent are under no obligation to advise any person of any error therein. None of the Calculation Agent and the Index Sponsor can be held liable for any loss whatsoever, directly or indirectly related to the Index. Without limiting any of the foregoing, in no event shall the Index Sponsor have any liability (whether in negligence or otherwise) to any person for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility of such damages.

This Index Description contains no provisions relating to any product referencing the Index. Should any product referencing the Index be issued, created, sold or otherwise distributed, provisions relating to a possible liability with respect to such product will be dealt with in a separate document.

The Index Sponsor and its affiliates may from time to time engage in transactions involving the Component Securities for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value or level of the Components Securities and consequently upon the Index Level, and in engaging in such transactions none of the Index Sponsor and its affiliates shall be under any obligation to act in the interests of users of the Index and/or parties exposed to products referencing the Index. The Index Sponsor and its affiliates may from time to time act in multiple capacities with regard to the Index or any products referencing the Index. The Index Sponsor and its affiliates may issue, enter into, create, purchase, sell or otherwise distribute derivative instruments in respect of the Index or Components Securities and the introduction of such products into the marketplace may affect the Index Level.

The Index Sponsor may, in certain cases, act as a market-maker or sponsor for the Components Securities. By such sponsoring or market-making, the Index Sponsor may, to a large extent, determine the price of the Component Securities, and consequently influence the Index Level.

The prices quoted by the Component Security Issuers in its sponsoring or market-making function will not always correspond to the prices which would have prevailed without such sponsoring or market-making and in a liquid market. The Index Sponsor and/or its affiliates may acquire non-public information with respect to the Components Securities (or components thereof), and neither the Index Sponsor nor any of its affiliates undertakes to disclose any such information to any user of the Index. In addition, one or more of the Index Sponsor's affiliates may publish research reports with respect to the Components Securities. Such activities could present conflicts of interest and may affect the Index Level.

The 'EVEN 30™ Index' is an Investec Bank plc proprietary index. Any use of this Index or its name must be with the consent of Investec Bank plc.

8. Definitions and Interpretation

'Average Volume 3M' means the daily average number of shares traded during the Scheduled Trading Days of the preceding three months period during which the relevant Exchange is open for trading for its regular trading sessions. The average is calculated based on the total volume over the last three trading months divided by the number of days within that period. The end date for the preceding three months is always the prior Business Day prior to the relevant Index Selection Day.

'Bloomberg' means Bloomberg L.P. or any of its affiliates and subsidiaries.

'Bloomberg Ticker' means the abbreviation assigned by Bloomberg to a given Security for trading purposes, which may or may not be an exchange symbol.

'Business Day' means each day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and Foreign Currency Deposits, and clearing in London and that is a London settlement Day (as such term is defined in the ISDA Definitions).

'Calculation Agent' means the entity or the person responsible for calculating and publishing the Index, as described in this Index Description, and as amended, substituted from time to time.

'Closing Price' means, in relation to each Component Security and a Business Day, the closing price of such Component Security on the relevant Exchange, expressed in the Index Reference Currency or, if not expressed in the Index Reference Currency, converted into the Index Reference Currency using the FX Exchange Rate on such Business Day.

'Close of Business' means, in relation to an Exchange, the time at which such Exchange ceases trading on an Index Calculation Date.

'Closed-End Fund' means a fund that has a specific number of issued shares where price movement is determined by supply and demand and the fund trades on an Exchange or Exchanges, in a manner similar to shares. The shares of a closed-end fund are not redeemable but may be bought and sold on exchanges or over-the-counter markets. The price per share of a closed-end fund does not usually equal the net asset value (NAV) of such share and the difference between the market price and the NAV of such share is the premium or discount.

'Component Security' means a security that has been included in the composition of the Index.

'Component Security Issuer' means the issuer of a Component Security.

'Component Security Set' means, at any time, the set of 30 Component Securities to be included in the Composition of the Index as may be adjusted on each Index Rebalancing Date in accordance with this Index Description (the latter set being thereafter referred to as the 'Rebalanced Component Security Set').

'Component Security Weight' means the percentage amount each Component Security represents in the Component Security Set as determined by the Calculation Agent, in consultation with the Index Sponsor, on each Index Rebalancing Date.

'Declared Dividend' means an ordinary cash distribution, special cash distribution, issue or dividend to existing holders of the relevant Component Security, declared by the Issuer of such Component Security (being the amount payable before deduction of any withholding or deduction for or on account of any tax which would have been made by or on behalf of the Issuer in respect of the dividend, but not taking into account any associated tax credit arising under the law of the jurisdiction of the Issuer) and which shall not include any extraordinary, or bonus dividend or other cash distribution exceeding 10% of the last cum-dividend closing price of the relevant Component Security, each as determined by the Calculation Agent.

'Disrupted Index Calculation Date' means a day on which the Index Level cannot be determined as a result of any or all of the events described in Section 4, or any other event which the Calculation Agent on such day determines, in its sole and absolute discretion after consultation with the Index Sponsor, prevents a calculation of the Index Level being made.

'Dynamic Exposure Factor' has its meaning given on page 10.

'Dynamic Target Exposure Factor' has its meaning given on page 10.

'Eligible Issuer' means the issuer of an Eligible Security.

'Eligible Security' means a security that meets the Selection Criteria and that is therefore eligible for inclusion in the List of Eligible Securities and is also potentially qualified to become a Component Security.

'Equity Constituent' has its meaning given on page 3.

'Exchange Business Day' means any Business Day on which the relevant Exchange is open for trading during its regular trading session(s), notwithstanding any such Exchange (or Related Exchange) closing prior to its Scheduled Closing Time.

'Ex-Dividend Date' means the first date on which a security is traded without entitling the holder to receive distributions previously declared.

'Exchange Traded Fund' or 'ETF' is an investment vehicle traded on stock exchanges, much like stocks. An ETF holds assets such as stocks or bonds and trades at approximately the same price as the net asset value (NAV) of its underlying assets over the course of the trading day.

'GBP' means British Pound Sterling.

'GDR' means Global Depositary Receipts.

'GICS Sector' means a numeric code indicating GICS sector classification. GICS (Global Industry Classification Standard) is an industry classification standard which consists of the 10 following sectors: Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information technology, Telecommunication Services and Utilities. The GICS classification assigns a sector code to each company according to its principal business activity.

'Hedging Activity' means trading in any of the Component Securities or in any financial instruments relating to any of the Component Securities, in each case the purpose of hedging any obligation incurred by any entity of the which are linked to the performance of the Index.

'Index' means the EVEN 30™ Index.

'Index Adjustment' has the meaning given on page 15.

'Index Adjustment Event' has the meaning given on page 16.

'Index Base Level' has the meaning given on page 5.

'Index Base Date' has the meaning given on page 5.

'Index Calculation Date' means each Business Day on which the Calculation Agent is able to determine and calculate the Index Level.

'Index Description' has the meaning given on page 2.

'Index Rebalancing' the process whereby the new Component Security Set is determined on each Index Selection Date by adding newly selected Component Securities to effect a re-allocation of the Index Level from the previous Component Securities to the new Component Securities based on Component Security Weights and Closing Prices on the Index Rebalancing Date.

'Index Rebalancing Date' is the second Index Calculation Date following each Index Selection Date in each month.

'Index Rebalancing Period' has its meaning given page 7.

'Index Reference Currency' has the meaning given on page 4.

'Index Rules' means the terms, conditions and methodologies which are necessary to define the Index.

'Index Sponsor' means Investec Bank plc.

'Index Selection Date' is the fourteenth calendar date of each month, unless such day is not an Index Calculation Date in which case the next following Index Calculation Date will be the Index Selection Date.

'ISDA Definitions' means together definitions as published from time to time by the International Securities and Derivatives Association.

'List of Eligible Securities' or 'LES' means the List of the Component Securities from which the Index can be formed.

'Live Date' means 16 September 2010.

'Price Return' means an amount equal to the price of a security assuming no reinvestment of net dividends.

'Primary Exchange' means the Exchange on which the Component Security has its primary listing.

'Reserve List' or 'RL' has its meaning given on page 6.

'Review Timetable' has its meaning given on page 7.

'Royalty Trust' means an oil or gas company spins off property to its shareholders, which means it will not be taxed at the corporate level and will offer high returns to stockholders.

'Selection Procedure' means the methodology by which the Index Sponsor, in consultation with the Calculation Agent, selects the Component Securities.

'Selection Universe' has the meaning given on page 3.

'Selection Criteria' has the meaning given on page 5.

'Structured Investment Vehicle (SIV)' means a fund that may borrow money by issuing short-term securities at low interest and then lends that money by buying long-term securities at higher interest, making a profit for investors from the difference.

'Target Volatility Level' has its meaning given on page 4.

9. Appendices and Annex

Appendix 1. Initial List of Eligible Securities

The following table details the LES for the initial composition of the Index according to the methodology outlined in this Index Description and lists the Component Securities initially eligible.

Data as of the Index Base Date				
Exchange	Share Company	Bloomberg	GICS Sector	Component Security Weight
London	LATTICE GROUP PLC	535158Q LN Equity	Utilities	3.33%
London	31 GROUP PLC	III LN Equity	Financials	3.33%
London	LAND SECURITIES GROUP PLC	LAND LN Equity	Financials	3.33%
London	ENI LASMO PLC-UTS	LSMO LN Equity	Energy	3.33%
London	BRITISH STEEL FRAME CO LTD/T	1066082Z LN Equity	Materials	3.33%
London	WHITBREAD PLC	WTB LN Equity	Consumer Discretionary	3.33%
London	ALLIANCE & LEICESTER PLC	AL/LN Equity	Financials	3.33%
London	SIX CONTINENTS LTD	SXC LN Equity	Consumer Discretionary	3.33%
London	UNILEVER PLC	ULVR LN Equity	Consumer Staples	3.33%
London	BOC GROUP LTD/THE	BOC LN Equity	Materials	3.33%
London	SEVERN TRENT PLC	SVT LN Equity	Utilities	3.33%
London	HAYS PLC	HAS LN Equity	Industrials	3.33%
London	GRANADA GROUP PLC	1295Q LN Equity	Industrials	3.33%
London	WOOLWICH PLC	369475Q LN Equity	Financials	3.33%
London	HALIFAX GROUP LTD	HFX LN Equity	Financials	3.33%
London	THAMES WATER LTD	1017087Q LN Equity	Utilities	3.33%
London	SCOTTISH & NEWCASTLE	SCTN LN Equity	Consumer Staples	3.33%
London	SMITHS GROUP PLC	SMIN LN Equity	Industrials	3.33%
London	PENINSULAR & ORIENTAL STEAM	PO/LN Equity	Industrials	3.33%
London	CADBURY PLC	CBRY LN Equity	Consumer Staples	3.33%
London	RECKITT BENCKISER GROUP PLC	RB/LN Equity	Consumer Staples	3.33%
London	BP PLC	BP/LN Equity	Energy	3.33%
London	BRITISH LAND CO PLC	BLND LN Equity	Financials	3.33%
London	POWERGEN LTD	PWG LN Equity	Utilities	3.33%
London	ENERGY GROUP PLC	1127Q LN Equity	Utilities	3.33%
London	ALLIANCE BOOTS HOLDINGS LTD	AB/LN Equity	Consumer Staples	3.33%
London	UNITED BUSINESS MEDIA LTD	UBM LN Equity	Consumer Discretionary	3.33%
London	BAE SYSTEMS PLC	BA/LN Equity	Industrials	3.33%
London	ALLIED DOMECQ PLC	ALLD LN Equity	Consumer Staples	3.33%
London	BAA AIRPORTS LTD	BAA LN Equity	Industrials	3.33%
Total				100.00%

Appendix 2. Initial Reserve List

The following table details the current Reserve List that would replace any of the Component Securities of the Index according to the methodology outlined in this Index Description.

Data as of the Index Base Date				
Exchange	Share Company	Bloomberg	GICS Sector	Component Security Weight
London	NATWEST GROUP	120808Z LN Equity	Financials	n/a
London	INTERNATIONAL POWER PLC	IPR LN Equity	Utilities	n/a
London	ASSOCIATED BRITISH FOODS PLC	ABF LN Equity	Consumer Staples	n/a
London	KINGFISHER PLC	KGF LN Equity	Consumer Discretionary	n/a
London	SHELL TRANSPORT & TRADING CO	SHEL LN Equity	Energy	n/a
London	GKN PLC	GK LN Equity	Industrials	n/a
London	IMPERIAL CHEMICAL INDS PLC	ICI LN Equity	Materials	n/a
London	AMERSHAM PLC	AHM LN Equity	Health Care	n/a
London	GENERAL ELECTRIC COMPANY PLC	1366Q LN Equity	Information Technology	n/a
London	ORANGE PLC	951641Q LN Equity	Telecommunication Services	n/a
Total				100.00%

Appendix 3. Amendments to the Index Methodology

Pursuant to the Index Description, any amendment to the Index Rules shall be described hereunder and the effective date of any such amendment shall be stated as soon as reasonably practicable after the determination by the Index Sponsor after consultation the Calculation Agent that such amendments are required, as outlined in Section 2.1.

Data as of the Index Base Date		
Issue	Date	Change
1.0	21 October 2010	First Release
1.1	17 August 2011	Section 3.5
		Formula:
		$I(t+1) = I(t) \times \left[w_i \times \frac{B(t+1)}{B(t)} \right]$
		Has been replaced by:
		$I(t+1) = I(t) \times \left[1 \times w_i \times \left(\frac{B(t+1)}{B(t)} - 1 \right) \right]$

Appendix 4. Indicative List of Index Adjustments following a Corporate Action

Corporate Action	Indicative Index Adjustment
Component Security Replacement	Index Rebalancing with replacing security on date of change.
Share Issuance (when change is ≥ 5 per cent.)	Adjust price series of affected Component Security according to the Calculation Agent's ordinary Rules (only where repurchase is for cancellation).
Share Repurchase/Redemption (when change is ≥ 5 per cent.)	Adjust price series of affected Component Security according to the Calculation Agent's ordinary Rules (only where repurchase is for cancellation).
Spinoff*	<p>Subtract the following from the Price of the affected Component Security:</p> <ul style="list-style-type: none"> Share exchange ratio Spinoff stock price <p>Adjust the price series of the affected Component Security from date of Corporate Action back to the preceding Index Rebalancing Date;</p>
Stock Splits	The split ratio is to be applied to the price series concerned back to the date of the preceding Index Rebalancing Date.
Reverse Splits	The split ratio is to be applied to the price series concerned back to the date of the preceding Index Rebalancing Date.
Special Cash Dividend	To be treated in the same way as ordinary dividends.
Rights Offering	<p>Subtract the following from the Closing Price of the affected Component Security:</p> <ul style="list-style-type: none"> Price of rights Rights Ratio <p>adjust the price series of the affected Component Security from the effective date of such Corporate Action back to the previous Index Rebalancing Date.</p>

*Special note on Spin-Offs: if a Company being spun off is only trading on a 'when-issued' basis, the 'when-issued' price will be used to adjust the affected Component Security's Closing Price.

Appendix 5. Indicative List of Index Adjustments following an Extraordinary Event

Extraordinary Events are as defined in Section 4, above.

Extraordinary Event	Indicative Index Adjustment
Merger Event	Upon the occurrence of a Merger Event an Index Rebalancing shall be effective from the date that the Component Issuer's listed securities drop below the Liquidity threshold as defined in Section 2.3, above.
Spin-off	If a Component Security Issuer splits or spins off (demerges) a portion of its business to form one or more new companies, the Component Security Issuer will remain on the LES, with the company that has been spun off or demerged to be considered for inclusion on the LES. An Index Rebalancing may occur if deemed appropriate by the Calculation Agent in consultation with the Index Sponsor at the time of such spin-off.
Insolvency or Insolvency Filing	A Component Security will be removed and replaced on the occurrence insolvency filing. Index Rebalancing will occur on the date of such removal. The exact date of such removal is to be determined by the Calculation Agent in consultation with the Index Sponsor, who shall endeavor to make such determination as soon as reasonably practicable after learning of such filing. Exceptions to the removal of a Component Issuer will be made on a case-by-case basis at the Calculation Agent's sole and absolute discretion after consultation with the Index Sponsor.
De-listing	A Component Security will be replaced immediately following its delisting from its primary market and an Index Rebalancing will occur on the date of such delisting.
Nationalisation	A Component Security will be replaced immediately following the occurrence of a Nationalisation and the Index will be rebalanced by the Calculation Agent. An Index Rebalancing will occur on the date of such removal.
Tender Offer	A Component Security will be removed and replaced on the occurrence of a Tender Offer. Index Rebalancing will occur on the date of such removal. The Calculation Agent shall determine whether an Index Rebalancing will occur on the date of such tender offer.

USE OF PROCEEDS

The net proceeds from each issue of Notes will, unless specified in the applicable Final Terms, be used by the Issuer for making profit and/or hedging certain risks. If, in respect of any particular issue of Notes which are derivative securities for the purpose of Article 15 of the Commission Regulation No 809/2004 implementing the Prospectus Directive, there is another particular identified use of proceeds (other than making profit and/or hedging certain risks), this will be stated in the applicable Final Terms.

TAXATION

United Kingdom Taxation

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

A. UK Withholding Tax on UK Source Interest

The Notes issued by the Issuer which carry a right to interest ("**UK Notes**") will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are and continue to be included in the United Kingdom Official List and admitted to trading on the Regulated Market of the London Stock Exchange.

In addition to the exemption set out above, interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the FSA whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

In all cases falling outside the exemptions described above, interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

On 27 March 2012, HMRC published a Consultation Document on "Possible changes to income tax rules on interest" which includes proposals relating to the imposition of United Kingdom withholding tax. One potential change is that the quoted Eurobond exemption from withholding tax on UK interest will not be available where Notes are issued between group companies and listed on a stock exchange on which there is no substantial or regular trading in the Notes. It is also proposed that the withholding tax obligation in respect of UK interest payments be extended so that it may apply to interest on Notes issued for a term of less than one year. It is not possible to identify at this time to what extent, if at all, these proposals will be implemented.

B. Provision of Information

Noteholders should note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" for the purposes of section 430 of the Income Tax (Trading and Other Income) Act 2005 (although, in this regard, HMRC published guidance for the year 2012/2013 which indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

C. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by

such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

D. Other Rules Relating to UK Withholding Tax

1. Notes may be issued at an issue price of less than 100% of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in section A above, but may be subject to reporting requirements as outlined in section B above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. see Condition 4 (*Interest*) of the Notes). Noteholders should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute "interest" or "principal" as those terms are understood in United Kingdom tax law. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 14 (*Meetings of Noteholders, Modification, Waiver and Substitution*) of the Notes or otherwise and does not consider the tax consequences of any such substitution.

SUBSCRIPTION AND SALE

The Dealer has, in an amended and restated programme agreement (the "**Programme Agreement**") dated 13 June 2012, agreed with the Issuer a basis upon which it and any other dealers from time to time appointed under the Programme or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". The Notes may be sold by the Issuer through the Dealer(s), acting as agent(s) of the Issuer. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes may include Notes in bearer form for U.S. tax purposes which are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the

Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, *provided that* any such prospectus which has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision only, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the

issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

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

Isle of Man

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it shall only offer or sell Notes in or from the Isle of Man if it holds an appropriate investment business licence issued by the Isle of Man Financial Supervision Commission (the "**FSC**") under section 7 of the Isle of Man Financial Services Act 2008 (the "**FSA 2008**"); and
- (b) where it does not hold such a licence, it shall only offer or sell Notes to an "Isle of Man person" (within the meaning of the Isle of Man Regulated Activities Order 2011 (the "**Order**")) where it is an "overseas person" (within the meaning of the Order) who is authorised to offer and sell the Notes by a regulator outside the Isle of Man and either:
 - (i) the offer or sale of the Notes is the direct result of an approach made to the Dealer by or on behalf of the Isle of Man person which has not been solicited by the Dealer (otherwise than by means of an advertisement which is neither targeted at Isle of Man persons nor disseminated by a medium which is targeted at Isle of Man persons); or
 - (ii) the Isle of Man person:
 - (A) holds a licence issued by the FSC under section 7 of the FSA 2008 to carry on, or hold themselves out as carrying on, a regulated activity; or
 - (B) is a person falling within exclusion 2(r) contained in Schedule 1 to the Order; or
 - (C) is a person whose ordinary business activities involve him in acquiring, holding, managing or disposing of shares or debentures (as principal or agent), for the purposes of his business.

Guernsey

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may only be offered or sold in or from within the Bailiwick of Guernsey either (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the "**POI Law**"); or (ii) to persons licensed under the POI Law; or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, or the Regulation of Fiduciaries, Administration Businesses and Company Directors, Etc, (Bailiwick of Guernsey) Law, 2000.

Jersey

The Issuer does not hold a consent under the Control of Borrowing (Jersey) Order 1958 ("**COBO**"), however, this prospectus may be circulated in Jersey by the Dealer pursuant to

COBO on the basis that this offer is "valid in the United Kingdom" and that the Issuer does not have a "relevant connection" with Jersey, as such terms are defined in COBO.

General

The Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Trustee or any of the Dealers has represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by a resolution of the Board of Directors of the Issuer dated 11 June 2012. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Listing and Admission to Trading

This document has been approved by the FSA as a base prospectus in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. Application has also been made for the Notes to be admitted during the twelve months after the date hereof to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange.

Documents Available

So long as any of the Notes are outstanding and throughout the life of the Programme, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London:

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the Memorandum and Articles of Association of the Company;
- (iii) the audited consolidated annual financial statements of the Issuer in respect of the financial years ended 31 March 2011 and 31 March 2010, together with the auditor's reports prepared in connection therewith. The Issuer currently prepares audited consolidated accounts on an annual basis;
- (iv) the unaudited half yearly financial report of the Issuer for the six months ended 30 September 2011;
- (v) the amended preliminary unaudited consolidated financial information of the Issuer for the year ended 31 March 2012;
- (vi) the Programme Agreement, the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (vii) a copy of this Base Prospectus;
- (viii) any future offering circulars, prospectuses, information memoranda and supplements including, free of charge, Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and

- (ix) in the case of each issue of Notes admitted to trading on the Regulated Market of the London Stock Exchange subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

Clearing Systems

The Notes (other than Uncertificated Registered Notes) have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The relevant ISIN and common code will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The Uncertificated Registered Notes are participating securities for the purposes of the Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the Uncertificated Registered Notes is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Base Prospectus, the relevant Operator for the purposes of the Regulations is CRESTCo. Limited.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CRESTCo. Limited is 33 Cannon Street, London EC4M 5SB, United Kingdom.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

Save as disclosed in the line items (i) Operating costs; (ii) Operating profit before amortisation of acquired intangibles, integration costs, non-operating items, taxation and after non-controlling interests; (iii) Earnings attributable to ordinary shareholders; and (iv) Cost to income ratio, each contained at page 2 of the amended preliminary unaudited consolidated financial information for the year ended 31 March 2012, there has been no significant change in the financial or trading position of the Issuer or its group since the year ended 31 March 2012, the most recent period for which it has published amended preliminary unaudited financial information.

There has been no material adverse change in the prospects of the Issuer since the financial year ended 31 March 2011, the most recent financial year for which it has published audited financial statements.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Base Prospectus which may have, or have had in the recent past significant effects on the financial position or profitability of the Issuer or the group.

Auditors

The audited consolidated financial statements of the Issuer for the financial years ended 31 March 2010 and 31 March 2011 have been audited without qualification by Ernst & Young LLP, chartered accountants registered auditors and independent auditors (authorised and

regulated by the Financial Services Authority for designated investment business) whose address is 1 More London Place, London SE1 2AF.

Post-issuance information

The Issuer does not intend to provide any post-issuance information.

Dealers transacting with the Issuer

The Dealers from time to time appointed under the Programme and their affiliates may have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

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