

General Conditions of the N&C Securities

GENERAL TERMS AND CONDITIONS OF THE N&C SECURITIES

*The following general terms and conditions (the "**N&C Security Conditions**"), together with the Technical Annex(es) (if applicable), are the terms and conditions (collectively, the "**Conditions**") of the N&C Securities which will be incorporated by reference into each Global N&C Security (as defined below) and each definitive N&C Security, 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 Dealer at the time of issue but, if not so permitted and agreed, such definitive N&C Security will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms in relation to any Tranche of N&C Securities will complete and supplement the Conditions in relation to each Tranche of N&C Securities and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, together with the Technical Annex(es) (if applicable), replace or modify the following Conditions for the purpose of such N&C Securities. The applicable Final Terms, (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global N&C Securities and definitive N&C Securities. Reference should be made to "Form of the Securities" for a description of the content of the applicable Final Terms which will specify which of such terms are to apply in relation to the relevant N&C Securities. References in these Conditions to "**Final Terms**" shall mean a tranche of N&C Securities issued pursuant to this Prospectus.*

This N&C Security is one of a Series of N&C Securities (such N&C Securities being referred to hereinafter as "**N&C Securities**") issued by Abbey National Treasury Services plc (the "**Issuer**", which expression shall include any substitute pursuant to N&C Security Condition 15 (Substitution) below) pursuant to an Agency Agreement (as defined below). N&C Securities will be either notes ("**Notes**") or redeemable certificates ("**Certificates**"), as specified in the applicable Final Terms, and references in these Terms and Conditions to "**N&C Security**", "**N&C Securities**", "**Note**", "**Notes**", "**Certificate**" or "**Certificates**" will be construed accordingly. This N&C Security is one of a Series (as defined below) of securities issued by the Issuer.

References herein to the "**N&C Securities**" shall be references to the N&C Security of this Series and shall mean:

1. in relation to any N&C Security(ies) represented by a global N&C Security in bearer form (a "**Global N&C Security**" (which includes any Bearer Global N&C Security and any Immobilised Bearer Global N&C Security (as defined below)):
 - (a) in the case of N&C Securities issued by nominal amount, units of each Specified Denomination in the Specified Currency of the applicable N&C Securities, each as specified in the applicable Final Terms; and
 - (b) in the case of N&C Securities issued by unit, each unit of applicable N&C Securities;
2. any Global N&C Security;
3. any certificated depositary interests (in the case of Immobilised Bearer Global N&C Securities (as defined below) to be settled through Euroclear and/or Clearstream, Luxembourg) and certificateless depositary interests (in the case of Immobilised Bearer Global N&C Securities to be settled through DTC and such certificateless depositary interests, together with the certificated depositary interests, "**CDIs**" (as further defined in N&C Security Condition 1.6 below));
4. any Book Entry Interest (as defined in N&C Security Condition 1.6);
5. any definitive N&C Securities in bearer form ("**Definitive Bearer N&C Securities**") issued in exchange for a Bearer Global N&C Security; and
6. any definitive N&C Securities in registered (or inscribed) form ("**Definitive Registered N&C Securities**").

The N&C Securities, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated on or about 5 April 2012 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, Santander UK plc (the "**Guarantor**") as guarantor, Citibank, N.A., London as issuing and principal paying agent and transfer agent (the "**Principal Paying Agent**", which expression shall include any additional or successor agent acting in such capacities) and exchange agent (the "**Exchange Agent**" which expression shall include any additional or successor exchange agents), Citigroup Global Markets Deutschland AG as registrar (the "**Registrar**", which expression shall include any additional or successor registrar) and as transfer agent (the "**Transfer Agent**", which expression shall include the Principal Paying Agent in its capacity as a transfer agent and any additional or successor transfer agents) and the

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other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**"). The Principal Paying Agent, the Registrar, the Paying Agents, the Transfer Agent, the Exchange Agent and the Calculation Agent are together referred to as the "**Agents**".

References to "**Calculation Agent**" are to the entity specified as such in the applicable Final Terms or any successor in such capacity.

The Issuer's obligations in respect of this N&C Security have been guaranteed by the Guarantor pursuant to a guarantee (the "**Guarantee**") dated 5 April 2012 and executed by the Guarantor. The original Guarantee is held by the Principal Paying Agent at its specified office.

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

The final terms for this N&C Security (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this N&C Security which supplement these General Terms and Conditions of the N&C Securities (the "**Conditions**", which term shall include one or more Technical Annex(es) in the form annexed hereto (each a "**Technical Annex**") if specified as applicable in such Final Terms) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of this N&C Security. 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 N&C Security and provisions relating to types of Variable Interest Rate N&C Securities and Variable Redemption N&C Securities for which no Technical Annex exists shall be set out, if required, in the applicable Final Terms.

Any reference to "**N&C Securityholders**" or "**holders**" in relation to any N&C Securities shall mean the holders of the relevant N&C Security, as applicable, and shall, in relation to any N&C Securities represented by a Global N&C Security, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means N&C Securities which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of N&C Securities together with any further Tranche or Tranches of N&C Securities 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.

The N&C Securityholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (the "**Deed of Covenant**") dated 5 April 2012 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear, Clearstream, Luxembourg and DTC (each as defined herein).

Copies of the Agency Agreement (which contains the form of the Guarantee and the Deed of Covenant) are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing during normal business hours at the specified office of each of the Paying Agents and copies may be obtained from those offices save that, if the N&C Securities are 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 Directive 2003/71/EC (the "**Prospectus Directive**"), the applicable Final Terms will only be obtainable by a holder holding one or more N&C Securities and such N&C Securityholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such N&C Securities and identity. The N&C Securityholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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Words and expressions defined in 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 Agency Agreement and the applicable Final Terms, the applicable Final Terms shall prevail. In the case of any inconsistency between any Technical Annex(es) specified as applicable in the applicable Final Terms and other parts of these Conditions, the provisions of the applicable Technical Annex(es) shall prevail. In the case of any inconsistency between the applicable Final Terms and the Conditions, the applicable Final Terms shall prevail.

1. FORM, DENOMINATION AND TITLE

1.1 FORM

Other than in the case of Book-Entry Interests, CDIs and Definitive Registered N&C Securities, the N&C Securities will be issued in bearer form in the Specified Currency and the Specified Denomination(s) or (if so indicated in the applicable Final Terms) in security units, and, in the case of definitive N&C Securities, serially numbered. N&C Securities of one Specified Denomination may not be exchanged for N&C Securities of another Specified Denomination. Unless otherwise specified in the applicable Final Terms, the N&C Securities will be issued in classic global note ("**CGN**") form.

Each Tranche of N&C Securities in bearer form will be initially issued in the form of a temporary global security (a "**Temporary Bearer Global N&C Security**") or, if so specified in the applicable Final Terms, a permanent global security (a "**Permanent Bearer Global N&C Security**" and, together with a Temporary Bearer Global N&C Security, a "**Bearer Global N&C Security**") which, in either case, will:

- (a) if the Global N&C Securities are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"); or
- (b) if the Global N&C Securities are intended to be issued in CGN form, be delivered on or prior to the original issue date of the Tranche to a common depository (the "**Common Depository**") for, Euroclear and Clearstream, Luxembourg.

The N&C Securities issued as bearer securities in Immobilised Form ("**Immobilised Bearer N&C Securities**") of each Tranche offered and sold in reliance on Regulation S, which will be sold in offshore transactions to non-U.S. persons outside the United States, will initially be represented by a global security in bearer form (a "**Regulation S Global N&C Security**").

In the event that the applicable Final Terms specifies that a Tranche of N&C Securities is eligible for sale in the United States or to, or for the benefit of, U.S. persons, Immobilised Bearer N&C Securities of such Tranche will initially be represented by a global security in bearer form (a "**Rule 144A Global N&C Security**").

Interests in Immobilised Bearer N&C Securities of certain issues that may not at any time be offered, sold, resold, traded, pledged, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person will initially be represented by a global security in bearer form (a "**Permanently Restricted Global N&C Security**" and, together with the Regulation S Global N&C Securities and the Rule 144A Global N&C Securities, the "**Immobilised Bearer Global N&C Securities**").

The Immobilised Bearer Global N&C Securities will initially be issued in bearer form, without interest coupons, and title thereto will pass by delivery. If any Securities are issued as Immobilised Bearer Global N&C Securities, then the entire Series of which they form part will be issued as Immobilised Bearer Global N&C Securities. Pursuant to a N&C securities depository agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**N&C Securities Depository Agreement**") dated 5 April 2012 between the Issuer, Citibank N.A., London Branch (the "**Book-Entry Depository**"), Citibank N.A., London Branch (the "**Custodian**") and Citigroup Global Markets Deutschland AG (the "**Registrar**"), the Immobilised Bearer Global N&C Securities of each Series will on issue be deposited with the Book-Entry Depository. Pursuant to the terms of the N&C Securities Depository Agreement, the Book-Entry Depository will hold any Immobilised Bearer Global N&C Security for the holders of the CDIs and owners of the Book-Entry Interests as bare

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trustee and the owners of the Book-Entry Interests will accordingly be tenants in common in respect of the CDIs to the extent of the Book-Entry Interests in respect of which they are owners. The Book-Entry Depository shall have only those rights, discretions, duties, obligations and responsibilities expressly specified in the N&C Securities Depository Agreement and the Conditions and, other than holding any Immobilised Bearer Global N&C Security as bare trustee, as aforesaid, does not assume any relationship of trust for or with the owners of the Book-Entry Interests or any other person. In particular, the Book-Entry Depository may not extinguish, cancel or otherwise terminate this arrangement other than pursuant to the terms of the N&C Securities Depository Agreement and the Conditions. Holders of Book-Entry Interests are deemed to have notice of and shall be bound by the terms of the N&C Securities Depository Agreement.

1.2 Interest and Redemption

An N&C Security may be designated in the applicable Final Terms as either (i) a Fixed Rate N&C Security, (ii) a Floating Rate N&C Security, (iii) a Non-Interest Bearing N&C Security, (iv) a Zero Coupon N&C Security, (v) a Dual Currency Interest N&C Security, or (vi) any one of an Equity Index Linked Interest N&C Security, an Equity Linked Interest N&C Security, a Commodity Linked Interest N&C Security, an Inflation Index Linked Interest N&C Security, a Property Index Linked Interest N&C Security, a Fund Linked Interest N&C Security, or a Currency Linked Interest N&C Security (such N&C Securities specified in this sub-paragraph (vi), collectively, "**Variable Interest Rate N&C Securities**") or any other type of interest bearing N&C Securities or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

An N&C Security may be designated in the applicable Final Terms as (i) an Instalment N&C Security, (ii) a Dual Currency Redemption N&C Security, (iii) a Partly Paid N&C Security, or (iv) any one of an Equity Index Linked Redemption N&C Security, an Equity Linked Redemption N&C Security, a Commodity Linked Redemption N&C Security, an Inflation Index Linked Redemption N&C Security, a Property Index Linked Redemption N&C Security, a Fund Linked Redemption N&C Security, a Currency Linked Redemption N&C Security, or a Credit Linked Redemption N&C Security, (such N&C Securities specified in this sub-paragraph (iv), collectively, "**Variable Redemption N&C Securities**") or any other type of redeemable N&C Securities or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

1.3 Coupons attached

Definitive Bearer N&C Securities are issued with Coupons and, if applicable, Receipts attached, unless they are Zero Coupon N&C Securities or Non-Interest Bearing N&C Securities in which case references to Coupons and Couponholders in these Conditions are not applicable. The applicable Final Terms will specify whether settlement shall be by way of cash payment ("**Cash Settled N&C Securities**") or by physical delivery ("**Physical Delivery N&C Securities**"). Any reference in these Conditions to Physical Delivery N&C Securities shall mean N&C Securities in respect of which an asset amount (being the number of underlying equity, bond, security or such other asset as may be specified in the applicable Final Terms (the "**Relevant Asset(s)**") plus/minus any amount due to/from the N&C Securityholder in respect of each N&C Security) is deliverable and/or payable by reference to one or more Relevant Assets as the Issuer and the relevant Dealer(s) may agree and as set out in the applicable Final Terms.

N&C Security may, if specified in the applicable Final Terms, allow N&C Securityholders upon redemption of such N&C Securities to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those N&C Securities where the N&C Securityholder has elected for cash payment will be Cash Settled N&C Securities and those N&C Securities where the N&C Securityholder has elected for physical delivery will be Physical Delivery N&C Securities. The rights of an N&C Securityholder as described in this paragraph may be subject to the Issuer's right to vary settlement upon redemption of N&C Securities as indicated in the applicable Final Terms.

1.4 Title to Definitive Bearer and Definitive Registered Securities

Subject as set out below, title to the Definitive Bearer N&C Securities, Receipts and Coupons will pass by delivery and title to the Definitive Registered N&C Securities will pass upon registration of transfers in the books of the Register, which is kept by the Registrar, in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor, and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Definitive Bearer N&C

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Security, Receipt or Coupon and the registered holder of any Definitive Registered N&C Security 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 N&C Security, without prejudice to the provisions set out in the next succeeding paragraph.

1.5 Title to Securities represented by a Bearer Global N&C Security

For so long as any of the N&C Securities is represented by a Bearer Global N&C Security 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 or number of units of such N&C Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount or number of units of such N&C Securities 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 Guarantor and the Paying Agents as the holder of such nominal amount or number of units of such N&C Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount or number of units of such N&C Securities, for which purpose the bearer of the relevant Bearer Global N&C Security shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount or number of units of such N&C Securities in accordance with and subject to the terms of the relevant Global N&C Security and the expressions "**N&C Securityholder**" and "**holder of N&C Securities**" and related expressions shall be construed accordingly.

References 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.

N&C Securities which are represented by a Bearer Global N&C Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

References to DTC (as defined below), Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms or otherwise approved by the Issuer, the Guarantor, the Registrar and the Paying Agents (each a "**Clearance System**").

1.6 Title to Securities represented by an Immobilised Bearer Global N&C Security

In respect of Immobilised Bearer Global N&C Securities to be settled through Euroclear and/or Clearstream, Luxembourg ("**European Immobilised Bearer N&C Securities**" or "**Permanently Restricted Immobilised Bearer N&C Securities**", as the case may be) which are deposited with the Book-Entry Depository, the Book-Entry Depository will issue registered certificated depository interests ("**European CDIs**" or "**Permanently Restricted CDIs**", as the case may be) to a common depository for Euroclear and Clearstream, Luxembourg, or its nominee, and will record the European CDIs or the Permanently Restricted CDIs, as the case may be, in the books and records of the Registrar in the name of the nominee of the common depository. Ownership of interests in the European Immobilised Bearer Global N&C Securities or the Permanently Restricted Immobilised Bearer N&C Securities deposited with the Book-Entry Depository (the "**European Book-Entry Interests**" or the "**Permanently Restricted Book-Entry Interests**", respectively) will be limited to persons with an account with Euroclear and/or Clearstream, Luxembourg or persons who may hold interests through such participants. European Book-Entry Interests will be shown on, and transfers thereof will be affected only through records maintained in book-entry form by Euroclear and/or Clearstream, Luxembourg and their participants.

In respect of Immobilised Bearer Global N&C Securities to be settled through DTC (as defined below) ("**U.S. Immobilised Bearer Global N&C Securities**") which are deposited with the Book-Entry Depository, the Book-Entry Depository will issue registered certificateless depository interests ("**U.S. CDIs**" and, together with European CDIs and Permanently Restricted CDIs, "**CDIs**") to the Depository Trust Company ("**DTC**") or its nominee Cede & Co. and will record the U.S. CDIs in the books and records of the Registrar in the name of Cede & Co. as nominee of DTC. For so long as DTC or its nominee is the registered owner or holder of interests in the U.S. Immobilised Bearer Global N&C Securities deposited with the Book-Entry Depository (the "**U.S. Book-Entry Interests**" and, together with the European Book-Entry Interests and the Permanently Restricted Book-Entry Interests, the "**Book-Entry Interests**"), DTC or such nominee, as the case may be, will be considered the sole owner or holder of the U.S. Book-Entry Interests for all purposes under the

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Agency Agreement except to the extent that, in accordance with DTC's published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants.

2. TRANSFER

2.1 Transfers of interests in Immobilised Bearer Global N&C Securities

Transfers of Book-Entry Interests will be effected by DTC, 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 Book-Entry Interest will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for registered N&C Securities in definitive form or for a Book-Entry Interest in another N&C Security only in the authorised denominations (in the case of N&C Securities) or number of security units (in the case of Certificates) set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

Pursuant to the N&C Securities Depository Agreement, the Immobilised Bearer Global N&C Securities may be transferred only to a successor to the relevant Book-Entry Depository.

Unless and until Book-Entry Interests are exchanged for Definitive Registered N&C Securities, the CDIs held by DTC or its nominee or the common depository or its nominee for Euroclear and Clearstream, Luxembourg may not be transferred except as a whole to a nominee or a successor approved by the Issuer.

Book-Entry Interests will be subject to certain restrictions on transfer and certification requirements and may bear a legend regarding such restrictions.

All transfers of Book-Entry Interests between participants in DTC, participants in Euroclear or participants in Clearstream, Luxembourg will be effected by DTC, Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures and subject to the applicable rules and procedures established by DTC, Euroclear or Clearstream, Luxembourg and their respective participants.

Subject to the foregoing, a Book-Entry Interest (other than a Permanently Restricted Book-Entry Interest) in one of the Immobilised Bearer Global N&C Securities (other than a Permanently Restricted Global N&C Security) may be transferred to a person who takes delivery thereof in the form of a Book-Entry Interest (other than a Permanently Restricted Book-Entry Interest) in another of the Immobilised Bearer Global N&C Securities (other than a Permanently Restricted Global N&C Security) by means of an instruction originated through DTC, Euroclear or Clearstream, Luxembourg, as applicable. Any Book-Entry Interest that is so transferred will, upon transfer, cease to be a Book-Entry Interest in the first-mentioned Immobilised Bearer Global N&C Security and become a Book-Entry Interest in the other Immobilised Bearer Global N&C Security and will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Immobilised Bearer Global N&C Security for as long as it remains such a Book-Entry Interest. In connection with such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount at maturity or number of units of the first-mentioned Immobilised Bearer Global N&C Security and a corresponding increase in the principal amount at maturity or number of units of the other Immobilised Bearer Global N&C Security, as applicable. In addition, where a transfer of a Book-Entry Interest is made which requires the conversion of a U.S. Book-Entry Interest to a European Book-Entry Interest (or vice versa), appropriate adjustments will be made to reflect such conversion.

Book-Entry Interests in an Immobilised Bearer Global N&C Security may in certain circumstances be exchanged for Definitive Registered N&C Securities upon receipt by the Registrar of instructions from a Paying Agent. It is expected that such instructions of the Paying Agent will be based upon directions received by DTC, Euroclear or Clearstream, Luxembourg, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered N&C Securities issued in exchange for a Book-Entry Interest will, except as otherwise determined by the Issuer in compliance with applicable law, be subject to certain restrictions on transfer and certification requirements and may bear a legend regarding such restrictions.

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2.2 Transfers of Definitive Registered N&C Securities

Subject as provided in N&C Security Conditions 2.4 (Costs of registration), 2.5 (Transfers of interests in European Book-Entry Interests) and 2.6 (Transfers of interests in Legended N&C Securities) below, upon the terms and subject to the terms and conditions set forth in the Agency Agreement, a Definitive Registered N&C Security 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:

- (A) the holder or holders must:
 - (i) surrender the Definitive Registered N&C Security for registration of the transfer of the Definitive Registered N&C Security (or the relevant part of the Definitive Registered N&C Security) 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
 - (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent; and
- (B) 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 8 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three (3) business days (being for the purposes of these Conditions 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 Definitive Registered N&C Security for the same aggregate nominal amount or number of units as the Definitive Registered N&C Security (or the relevant part of the Definitive Registered N&C Security) transferred. In the case of a transfer of part only of a Definitive Registered N&C Security, a new Definitive Registered N&C Security in respect of the balance of the Definitive Registered N&C Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to such address as the transferor may request.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of N&C Securities under N&C Security Condition 7 (Redemption and Purchase), the Issuer shall not be required to register the transfer of any Definitive Registered N&C Security, or part of a Definitive Registered N&C Security, called for partial redemption.

2.4 Costs of registration

N&C Securityholders 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 normal 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.

2.5 Transfers of interests in European Book-Entry Interests and in Permanently Restricted Book-Entry Interests

Prior to expiry of the period ending 40 days after the completion of the distribution of each Tranche of N&C Securities relating to which a European Book-Entry Interest has been issued, as certified by the relevant Dealer (the "**Distribution Compliance Period**"), transfers by the holder of a European Book-Entry Interest or of a beneficial interest in a European Book-Entry Interest to a transferee in the United States or who is a U.S. person (as defined in the Securities Act) will only be made:

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- (A) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate with the consent of the Issuer (a "**Transfer Certificate**"), copies of which are available from the specified office of any Transfer Agent, from the transferor of the European Book-Entry Interest or beneficial interest therein to the effect that such transfer is being made to a person who the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A of the Securities Act; or
- (B) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with (1) any applicable securities laws of any State of the United States or any other jurisdiction and (2) any applicable restriction on transfer imposed by the CEA or any regulations thereunder as indicated and set out in the applicable Final Terms.

Transfers of a Permanently Restricted Book-Entry Interests or of a beneficial interest in a Permanently Restricted Book-Entry Interest may not at any time be made to a transferee in the United States or to, or for the account or benefit of, a U.S. person and any offer, sale, resale, trade, pledge, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person will not be recognised.

2.6 Transfers of interests in Legended N&C Securities

Transfers of Legended N&C Securities or beneficial interests therein may be made:

- (A) prior to the expiry of the applicable Distribution Compliance Period only upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made either (x) to a transferee that is a non-U.S. person taking delivery of such interest through a European Book-Entry Interest in an offshore transaction outside the United States pursuant to Regulation S and, in the case of a European CDI registered in the name of a nominee for DTC, the interests in the European Book-Entry Interest being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg or (y) to a transferee who the transferor reasonably believes to be a QIB taking delivery of such interest through a Legended N&C Security in a transaction meeting the requirements of Rule 144A; or
- (B) after the expiry of the applicable Distribution Compliance Period, either (x) to a transferee that is a non-U.S. person taking delivery of such interest through a European Book-Entry Interest in an offshore transaction outside the United States pursuant to Regulation S or (y) to a transferee who the transferor reasonably believes to be a QIB taking delivery of such interest through a Legended N&C Security in a transaction meeting the requirements of Rule 144A but, in either case, without certification; or
- (C) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with (1) any applicable securities laws of any State of the United States or any other jurisdiction and (2) any applicable restriction on transfer imposed by the CEA as indicated and set out in the applicable Final Terms.

Upon the transfer, exchange or replacement of Legended N&C Securities, or upon specific request for removal of the Legended N&C Securities, the Registrar shall deliver only Legended N&C Securities or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

2.7 Definitions

In this Condition 2, the following expressions shall have the following meanings:

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"CEA" means the U.S. Commodity Exchange Act, as amended;

"**Legended N&C Security**" means N&C Securities (whether in definitive registered form or represented by a U.S. Book-Entry Interest) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a "**Legend**").

"**United States**" 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.

3. STATUS OF THE N&C SECURITIES

The N&C Securities and the related Receipts and Coupons (if any) are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to any applicable statutory provisions or judicial order) at least equally with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.

4. STATUS OF THE GUARANTEE

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated obligations (including those arising under deposits received in its banking business) of the Guarantor, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

Subject as provided below and in the Guarantee, the Guarantor has unconditionally and irrevocably:

- (a) guaranteed to each N&C Securityholder all obligations of the Issuer in respect of such N&C Securityholder's N&C Securities as and when such obligations become due; and
- (b) agreed that if and each time that the Issuer fails to satisfy any obligation under such N&C Securities as and when such obligation becomes due, the Guarantor will (without requiring the relevant N&C Securityholder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligation punctually when and as the same shall become due and payable or due to be satisfied, as the case may be, as though the Guarantor were the principal obligor in respect of such obligation.

As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, in its sole and unfettered discretion, to elect not to deliver or procure delivery of the Asset Amount (as specified in the applicable Final Terms) to the holders of Physical Delivery N&C Securities when the same shall become due and deliverable, but in lieu thereof to make payment in respect of each Physical Delivery N&C Security to the holder(s) of such Physical Delivery N&C Security of an amount determined by the Guarantor in good faith and in a commercially reasonable manner to be equal to the fair market value of the assets to which the Asset Amount in respect of the relevant N&C Security(s) relates less such N&C Security(s)' *pro rata* share of the costs of unwinding any underlying related hedging and/or funding arrangements of the Issuer and/or Guarantor (the "**Guaranteed Cash Settlement Amount**"). Any payment of the Guaranteed Cash Settlement Amount in lieu of the relevant Asset Amount shall constitute a complete discharge of the Guarantor's obligations in respect of the relevant N&C Securities save as to any other cash amounts due in respect of such N&C Securities.

5. INTEREST

5.1 Interest Definitions

In these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this N&C Security Condition 5:

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- (A) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the applicable Final Terms:
- (i) in the case of N&C Securities 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 (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (a) the number of days in such Determination Period and (b) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; or
 - (ii) in the case of N&C Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (a) 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 (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; and
 - (b) 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, assuming interest was to be payable in respect of the whole of that year;
- (B) if "**Actual/Actual (ISDA)**", "**Actual/Actual**", "**Act/Act**" or "**Act/Act (ISDA)**" 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 (as defined above) 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);
- (C) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified in the applicable Final Terms, the actual number of days in the relevant Interest Period, divided by 365;
- (D) 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;
- (E) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified in the applicable Final Terms, the actual number of days in the relevant Interest Period, divided by 360;
- (F) if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) up to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12-30 day months) divided by 360;
- (G) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the relevant 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;

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"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 included in the Interest Period falls;

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

- (H) 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:

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

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 included in 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 included in the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless 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 such number would be 31, in which case D₂ will be 30;

- (I) 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:

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

Where:

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

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

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

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

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"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; and

"**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).

5.2 Interest on Fixed Rate N&C Securities

Each Fixed Rate N&C Security will bear interest from (and including) the Interest Commencement Date (which unless otherwise specified in the applicable Final Terms shall be the Issue Date) at the rate(s) per annum (expressed as a percentage) 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.

Such interest will be payable in respect of each "**Fixed Rate N&C Security Interest Period**" (which expression shall, in these Conditions and for the purposes of Fixed Rate N&C Securities only, 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).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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 (as defined in N&C Security 5.7 below), then, if the Business Day Convention specified is:

- (a) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (b) 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
- (c) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Notwithstanding anything to the contrary in these N&C Security Conditions, if a Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Rate N&C Security 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.

If no 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 N&C Securities which are represented by a Global N&C Security, the aggregate outstanding nominal amount of the Fixed Rate N&C Securities represented by such Global N&C Security or, if they are Partly Paid N&C Securities, the aggregate amount paid up; or
- (b) in the case of Fixed Rate Notes in definitive form held by each N&C Securityholder, the aggregate outstanding nominal amount of such Fixed Rate Notes held by such N&C Securityholder,

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and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with the Rounding Convention (as specified in N&C Security Condition 6 (Payments) below). Where the Specified Denomination of a Fixed Rate N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate N&C Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

5.3 Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities

(A) *Interest Payment Dates*

Each Floating Rate N&C Security and Variable Interest Rate N&C Security will bear interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year, as specified in the applicable Final Terms; or
- (ii) 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 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 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).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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 (as defined in N&C Security Condition 5.7 below), then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with N&C Security Condition 5.3(A)(ii) 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
- (b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (c) 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
- (d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(B) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate N&C Securities and Variable Interest Rate N&C Securities will be determined in the manner specified in the applicable Final Terms.

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(i) *ISDA Determination for Floating Rate N&C Securities*

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 (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms, under an interest rate swap transaction if the Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the applicable Final Terms;
- (b) the Designated Maturity is that period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London inter bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (2) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (i), (x) "**Euro-zone**" means the region comprised of member states of the European Union ("**Member States**") that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and the Treaty of Amsterdam and (y) "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate N&C Securities*

(a) 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:

- (i) the offered quotation; or
- (ii) 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 (as specified in the applicable Final Terms) 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 (as defined below) in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other person as specified in the applicable Final Terms. 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 Principal Paying Agent (or other person as specified in the applicable Final Terms) for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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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 (a) above, no such offered quotation appears or, in the case of (b) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

- (iii) If the Reference Rate from time to time in respect of Floating Rate N&C Securities or Variable Interest Rate N&C Securities is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such N&C Securities will be determined as provided in the applicable Final Terms.

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

If the applicable Final Terms specifies 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 (B) 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 no other Minimum Rate of Interest for any Interest Period is specified in the applicable Final Terms, then the Minimum Rate of Interest in respect of such Interest Period shall be deemed to be zero and in no event shall the Rate of Interest for such calculation period in accordance with N&C Security Condition 5.3(B) above be less than zero.

If the applicable Final Terms specifies 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 (B) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Principal Paying Agent (or other person as specified in the applicable Final Terms), in the case of Floating Rate N&C Securities, and the Calculation Agent, in the case of Variable Interest Rate N&C Securities 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. In the case of Variable Interest Rate N&C Securities, the Calculation Agent will notify the Principal Paying Agent of the Interest Rate for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent (or other person as specified in the applicable Final Terms), in the case of Floating Rate N&C Securities, and the Calculation Agent, in the case of Variable Interest Rate N&C Securities, will calculate the amount of interest (the "**Interest Amount**") payable on the N&C Securities for the relevant Interest Period by applying the Rate of Interest to:

- (a) in the case of Floating Rate N&C Securities and Variable Interest Rate N&C Securities which are represented by a Global N&C Security, the aggregate outstanding nominal amount of the applicable N&C Securities represented by such Global N&C Security (or, if they are Partly Paid N&C Securities, the aggregate amount paid up);
- (b) in the case of Floating Rate N&C Securities and Variable Interest Rate N&C Securities which are in definitive form held by each N&C Securityholder, the aggregate outstanding nominal amount of such Floating Rate N&C Securities or Variable Interest Rate N&C Securities (as applicable) held by such N&C Securityholder,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure in accordance with the Rounding Convention (as specified in N&C Security Condition 6 (Payments) below). Where the Specified Denomination of a N&C Security in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such N&C Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In such case, the

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Calculation Agent will notify the Principal Paying Agent of the Interest Amount for the relevant Interest Period as soon as practicable after calculating the same.

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

The Principal Paying Agent (or other person as specified in the applicable Final Terms) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange and/or market on which the relevant N&C Securities are for the time being listed and/or admitted to trading and notice thereof to be published in accordance with N&C Security Condition 14 (Notices) as soon as possible after their determination but in no event later than the fourth (4th) 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 and/or market on which the relevant N&C Securities are for the time being listed and/or admitted to trading and to the N&C Securityholders in accordance with N&C Security Condition 14 (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 (including dealings in foreign exchange and foreign currency deposits) in London.

(F) *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 N&C Security Condition 5.3 (Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Paying Agents and all N&C Securityholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Guarantor, the N&C Securityholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent (if applicable) in connection with the exercise or non exercise by it of its powers, duties and discretions pursuant to such provisions.

5.4 Interest on Dual Currency Interest N&C Securities

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

5.5 Interest on Partly Paid N&C Securities

In the case of Partly Paid N&C Securities (other than Partly Paid N&C Securities which are Zero Coupon N&C Securities and other than Rule 144A Global N&C Securities, which may not be offered or sold on a partly paid basis), interest will accrue as aforesaid on the paid up nominal amount of such N&C Securities and otherwise as specified in the applicable Final Terms.

5.6 Accrual of interest

Subject as provided in any Technical Annex, each N&C Security (or in the case of the redemption of part only of a N&C Security, that part only of such N&C Security) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (A) the date on which all amounts due in respect of such N&C Security have been paid and/or all assets deliverable in respect of such N&C Security have been delivered; and

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- (B) five (5) days after the date on which the full amount of the moneys payable in respect of such N&C Security has been received by the Principal Paying Agent or the Registrar, as the case may be, and/or all assets in respect of such N&C Security have been delivered and notice to that effect has been given to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices).

5.7 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 (x) in relation to any sum payable in a 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 (which if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (y) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) (the "**TARGET2 System**") is open. Unless otherwise provided in the applicable Final Terms, or as above, the principal financial centre of any currency for the purpose of these Conditions shall be as provided in the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Associations, Inc. and as amended and updated as at the Issue Date of the first Tranche of the N&C Securities (the "**ISDA Definitions**").

6. PAYMENTS

6.1 Payment in respect of Definitive Bearer N&C Securities

- (A) *Payments in respect of Definitive Bearer N&C Securities*

Subject as provided below:

- (i) payments in a Specified Currency other than euro or U.S. Dollars 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;
- (ii) payments will be made in euro 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; and
- (iii) payments will be made in U.S. Dollars by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this N&C Security Condition 6, means the United States of America, including the States and the District of Columbia and its possessions), or by cheque drawn on a United States bank. In no event will payment in respect of Definitive Bearer N&C Security be made by a cheque mailed to an address in the United States. All payments of interest in respect of Definitive Bearer N&C Securities will be made to accounts located outside the United States except as may be permitted by United States tax law in effect at the time of such payment without detriment to the Issuer.

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 N&C Security Condition 8 (Taxation).

General Conditions of the N&C Securities

(B) Payment of Principal and Interest in respect of Definitive Bearer N&C Securities, Receipts and Coupons

Payments of principal in respect of Definitive Bearer N&C Securities will (subject as provided below) be made in the manner provided in N&C Security Condition 6.1(A) (Payment in respect of Definitive Bearer N&C Securities) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer N&C Securities, and payments of interest in respect of Definitive Bearer N&C Securities 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 and its possessions)).

Payments of instalments of principal (if any) in respect of Definitive Bearer N&C Securities, other than the final instalment, will (subject as provided below) be made in the manner provided in N&C Security Condition 6.1(A) (Payment in respect of Definitive Bearer N&C Securities) 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 N&C Security Condition 6.1(A) (Payment in respect of Definitive Bearer N&C Securities) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer N&C Security in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer N&C Security to which it appertains. Receipts presented without the Definitive Bearer N&C Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer N&C Security 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.

(C) Missing Unmatured Coupons

Fixed Rate N&C Securities in definitive bearer form (other than Dual Currency N&C Securities, Variable Interest Rate N&C Securities or Long Maturity N&C Securities) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling 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 ten (10) years after the Relevant Date (as defined in N&C Security Condition 9 (Prescription)) in respect of such principal (whether or not such Coupon would otherwise have become void under N&C Security Condition 9 (Prescription)) or, if later, five (5) years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

(D) Unmatured Coupons and Talons void

Upon any Fixed Rate N&C Security 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 N&C Security in definitive bearer form (other than a Fixed Rate N&C Security which is not a Long Maturity N&C Security) 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 N&C Security**" is a Fixed Rate N&C Security (other than a Fixed Rate N&C Security which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such N&C Security shall cease to be a Long Maturity N&C Security 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 N&C Security. If the due date for redemption of any Definitive Bearer N&C Security is not an Interest Payment Date, interest (if any) accrued in respect of such N&C Security from (and including) the preceding Interest Payment Date or, as the case may be,

General Conditions of the N&C Securities

the Interest Commencement Date shall be payable only against presentation and surrender of the relevant Definitive Bearer N&C Security.

(E) *Payments of Principal and Interest in respect of Global N&C Securities*

Payments of principal and interest (if any) in respect of N&C Securities represented by any Global N&C Security in bearer form will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer N&C Securities and otherwise in the manner specified in the Definitive Bearer Global N&C Securities against presentation or surrender, as the case may be, of such Global N&C Securities at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global N&C Securities, distinguishing between any payment of principal and any payment of interest, will be made on such Global N&C Securities by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

No payments of principal, interest or other amounts due in respect of a Global N&C Security will be made by mail to an address in the United States or by transfer to an account maintained in the United States.

6.2 Payments in respect of Immobilised Bearer Global N&C Securities

Payments of any amounts owing in respect of the Immobilised Bearer Global N&C Securities (including principal, interest and instalments, if any) will be made by the Issuer in the Settlement Currency to the relevant Paying Agent. The relevant Paying Agent will, in turn, make such payments to the Custodian in its capacity as the bearer of the relevant Immobilised Bearer Global N&C Securities and the amount so received by the Custodian is forwarded by it to the Book-Entry Depository in accordance with the terms of the N&C Securities Depository Agreement. Upon receipt of any such amounts, the Book-Entry Depository will pay the amounts so received to DTC or the common depository for Euroclear and/or Clearstream, Luxembourg, as applicable, which will distribute such payments to participants in accordance with their procedures.

The Issuer, the Principal Agent and the Registrar will treat the bearer of the Immobilised Bearer Global N&C Securities as the owners thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Book-Entry Depository, any Agent, the Registrar or any agent of the Issuer, any Agent or the Registrar has or will have any responsibility or liability for:

- (A) any aspect of the records of DTC, Euroclear, Clearstream, Luxembourg or any participants or indirect participant relating to, or payments made on account of, DTC, Euroclear, Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- (B) DTC, Euroclear, Clearstream, Luxembourg or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants.

In the event any Immobilised Bearer Global N&C Security (or any portion thereof) is redeemed, the Book-Entry Depository will, through DTC, Euroclear or Clearstream, Luxembourg, as applicable, redeem an equal amount of the Book-Entry Interests in such Immobilised Bearer Global N&C Security from the amount received by it in respect of the redemption of such Immobilised Bearer Global N&C Security. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by the Book-Entry Depository in connection with the redemption of such Immobilised Bearer Global N&C Securities (or any portion thereof). If fewer than all of the N&C Securities are to be redeemed at any time, DTC, Euroclear and Clearstream, Luxembourg will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions) or by lot or on such other basis as they deem fair and appropriate.

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6.3 Payments in respect of Definitive Registered N&C Securities

(A) Payments of principal in respect of Definitive Registered N&C Securities

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Definitive Registered N&C Security will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Definitive Registered N&C Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account of the holder (or the first named of joint holders) of the Definitive Registered N&C Security appearing in the register of holders of the Definitive Registered N&C Security maintained by the Registrar (the "**Register**") at the close of business on the fifteenth (15th) calendar day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the nominal amount of the N&C Securities held by a holder is less than U.S.\$100,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank. 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 and (in the case of a payment in euro) any bank which processes payments in euro.

(B) Payments of interest and instalments in respect of Definitive Registered N&C Securities

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Definitive Registered N&C Security 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 Definitive Registered N&C Security appearing in the Register at the close of business on 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 (3) business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Definitive Registered N&C Security, 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 Definitive Registered N&C Securities 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 Definitive Registered N&C Security on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Definitive Registered N&C Security.

Holders of Definitive Registered N&C Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Definitive Registered N&C Security as a result of a cheque posted in accordance with this N&C Security 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 Definitive Registered N&C Securities.

(C) Payment by the DTC

All amounts payable to DTC or its nominee as registered holder of a U.S. CDI in respect of N&C Securities denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency for conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

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6.4 General provisions applicable to payments

The holder of a Global N&C Security shall be the only person entitled to receive payments or to make a claim in respect of N&C Securities represented by such Global N&C Security and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global N&C Security in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg or the relevant clearance system specified in the applicable Final Terms, as the beneficial holder of a particular nominal amount or number of units of N&C Securities represented by such Global N&C Security must look solely to DTC, Euroclear or Clearstream, Luxembourg or the relevant clearance system specified in the applicable Final Terms, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global N&C Security.

6.5 Place of Payment

Notwithstanding the foregoing provisions of this N&C Security Condition 6, if any amount of principal and/or interest in respect of N&C Securities (other than those in definitive registered form) is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such N&C Securities will be made at the specified office of a Paying Agent in the United States if:

- (A) 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 N&C Securities in the manner provided above when due;
- (B) 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
- (C) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

Any amount payable in respect of an N&C Security which exceeds the sum subscribed represents an amount payable by the Issuer (i) as consideration for the use of the sum subscribed by the Issuer and (ii) as compensation for and in recognition that in certain circumstances the amount repayable on maturity may be less than the sum subscribed or that the amount paid in excess of the sum subscribed may have been less than the prevailing rate of interest (generally payable by the Issuer) at the time when the N&C Securities were issued.

6.6 Payment Days

Subject to N&C Security Condition 5.3(A) (Interest Payment Dates), if the date for payment (the "**Relevant Payment Date**") of any amount in respect of any N&C Security, Receipt or Coupon is not a Payment Day, the holder thereof will instead be entitled to payment on the relevant day determined in accordance with the relevant Payment Day Convention as set out below and will not be entitled to any further interest or other payment in respect of any delay.

Where:

- (a) the Payment Day Convention is specified as "Following" in the applicable Final Terms, or where no Payment Day Convention is specified in the applicable Final Terms, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place;
- (b) the Payment Day Convention is specified as "Modified Following" in the applicable Final Terms, the holder thereof shall not be entitled to payment until the next day which is a Payment Day unless such day falls in the next calendar month, in which event such holder shall be entitled to payment on the Payment Day immediately preceding the Relevant Payment Date (the "**Adjusted Date for Payment**"); and

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- (c) the Payment Day Convention is specified as "Preceding" in the applicable Final Terms, the holder thereof shall be entitled to payment on the Payment Day immediately preceding the Relevant Payment Date (the "**Adjusted Date for Payment**"),

Provided That, in the event that any day upon which a valuation or determination is required to be made for the purposes of determining the amount of the payment to be made in respect of the Relevant Payment Date (each such date a "**Relevant Valuation Date**") would, as a result of the adjustment anticipated in paragraph (b) or (c) above, fall after the second Business Day preceding the Adjusted Date for Payment, N&C Securityholders will not be entitled to the relevant payment due in respect of the Relevant Payment Date until the day falling two (2) Business Days following the last occurring Relevant Valuation Date.

"**Payment Day**" means any day which (subject to N&C Security Condition 9 (Prescription)):

- (A) (i) is 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) in the case of N&C Securities in definitive form only, the relevant place of presentation; and
 - (b) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) 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 (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- (B) in the case of any payment in respect of a U.S. Book-Entry Interest denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such U.S. Book-Entry Interest) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.7 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the N&C Securities shall be deemed to include, as applicable:

- (A) the Final Redemption Amount of the N&C Securities;
- (B) the Early Redemption Amount of the N&C Securities;
- (C) the Optional Redemption Amount(s) (if any) of the N&C Securities;
- (D) in relation to N&C Securities redeemable in instalments, the Instalment Amounts;
- (E) in relation to Zero Coupon N&C Securities, the Amortised Face Amount (as defined in N&C Security Condition 7.7 (Early Redemption Amounts)); and
- (F) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the N&C Securities.

6.8 Rounding Convention

For the purposes of calculations made pursuant to N&C Security Condition 5.2 (Interest on Fixed Rate N&C Securities) and N&C Security Condition 5.3 (Interest on Floating Rate N&C Securities and Variable Interest Rate N&C Securities) any figure to be rounded will, if other than a sub-unit in the relevant Specified Currency:

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- (A) if "Rounded Up" is specified in the applicable Final Terms, be rounded upwards to the next sub-unit of the relevant Specified Currency,
- (B) if "Rounded Down" is specified in the applicable Final Terms, be rounded downwards to the next sub-unit of the relevant Specified Currency; or
- (C) in the event that no Rounding Convention is specified in the applicable Final Terms be rounded down as if "Rounded Down" had been specified,

provided that, in each case, the Calculation Amount in respect of N&C Securities which are (i) held by the same N&C Securityholder, (ii) of the same Series and (iii) in definitive form, shall be aggregated for the purpose of determining the aggregate amount of interest due in respect of any Interest Payment Date.

For the purposes of calculating any other cash amounts which may be payable by the Issuer under or in respect of the N&C Securities and which are other than a sub-unit in the relevant Specified Currency (including for the avoidance of doubt the Final Redemption Amount), unless otherwise specified in the applicable Final Terms, each such amount will be rounded downwards to the next sub-unit of the relevant specified currency.

6.9 Sub-units

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

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each N&C Security (unless otherwise specified in the applicable Final Terms or Technical Annex(es)) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date or if the N&C Securities are Physical Delivery N&C Securities, by delivery of the Asset Amount, subject to fulfilment of the provisions of the applicable Technical Annex.

7.2 Redemption at the option of N&C Securityholders (Investor Put)

If Investor Put is specified in the applicable Final Terms, subject to, and in accordance with, the terms specified in the applicable Final Terms, upon the holder of any N&C Security giving to the Issuer in accordance with N&C Security Condition 14 (Notices) not less than 15 nor more than 30 calendar days' notice, the Issuer will, upon the expiry of such notice, redeem, in whole (but not, in the case of a Definitive Bearer N&C Security, in part) such N&C Security on the Optional Redemption Date (as specified in the applicable Final Terms) and at the Optional Redemption Amount (as specified in the applicable Final Terms) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Definitive Registered N&C Securities may be redeemed under this N&C Security Condition 7.2 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this N&C Security the holder of this N&C Security must, if this N&C Security is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Definitive Bearer N&C Securities) or the Registrar (in the case of Definitive Registered N&C Securities) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this N&C Security Condition 7.2 and, in the case of Definitive Registered N&C Securities, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Definitive Registered N&C Securities so surrendered is to be redeemed, an address to which a new Definitive Registered N&C Security in respect of

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the balance of such Definitive Registered N&C Securities is to be sent subject to and in accordance with the provisions of N&C Security Condition 2.2 (Transfers of Definitive Registered N&C Securities). If this N&C Security is in definitive bearer form, the Put Notice must be accompanied by this N&C Security or evidence satisfactory to the Paying Agent concerned that this N&C Security will, following delivery of the Put Notice, be held to its order or under its control.

If this N&C Security is represented by a Global N&C Security or is in definitive form and held through DTC or Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this N&C Security the holder of this N&C Security must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of DTC or Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to DTC or Euroclear and Clearstream, Luxembourg from time to time and, if this N&C Security is represented by a Global N&C Security, the terms of which require presentation for recording changes to its nominal amount or number of units, at the same time present or procure the presentation of the relevant Global N&C Security to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of DTC, Euroclear and Clearstream, Luxembourg given by a holder of any N&C Security pursuant to this N&C Security Condition 7.2 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this N&C Security Condition 7.2 and instead to declare such N&C Security forthwith due and payable pursuant to N&C Security Condition 10 (Events of Default).

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, subject to, and in accordance with, the terms specified in the applicable Final Terms, having given:

- (a) not less than 15 nor more than 30 calendar days' notice to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices); and
- (b) not less than 15 calendar days before the giving of the notice referred to in (a) above, notice to the Principal Paying Agent and, in the case of a redemption of Definitive Registered N&C Securities, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the N&C Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount or number of units not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of N&C Securities, the N&C Securities to be redeemed ("**Redeemed N&C Securities**") will be selected individually by lot, in the case of Redeemed N&C Securities represented by definitive N&C Securities, and in accordance with the rules of DTC and/or Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and in the case of Redeemed N&C Securities represented by a Global N&C Security, not more than 30 calendar days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed N&C Securities represented by definitive N&C Securities, a list of the serial numbers of such Redeemed N&C Securities will be published in accordance with N&C Security Condition 14 (Notices) not less than 15 calendar days prior to the date fixed for redemption. No exchange of the relevant Global N&C Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this N&C Security Condition 7.3 and notice to that effect shall be given by the Issuer to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) at least five (5) days prior to the Selection Date.

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7.4 Redemption for illegality

In the event that the Calculation Agent determines that the performance of the obligations of the Issuer under the N&C Securities or the obligations of the Guarantor under the Guarantee, or any arrangements made to hedge the Issuer's obligations under the N&C Securities, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) (which notice shall be irrevocable), on the expiry of such notice redeem all, but not some only, of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount.

7.5 Regulatory Redemption Event

In the event that the Calculation Agent determines that a change in applicable law or regulation has occurred which results, or will result, solely by reason of the N&C Securities being outstanding, in the Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it, the Issuer having given not less than 10 nor more than 30 calendar days' notice to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) (which notice shall be irrevocable) may, on the expiry of such notice redeem all, but not some only, of the N&C Securities, each N&C Security being redeemed at the Early Redemption Amount. Payment shall be made in such manner as shall be notified to N&C Securityholders in accordance with N&C Security Condition 14 (Notices).

7.6 Redemption for tax reasons

The N&C Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this N&C Security is a Fixed Rate N&C Security or a Zero Coupon Interest N&C Security) or on any Interest Payment Date (if this N&C Security is a Floating Rate N&C Security, a Variable Interest Rate N&C Security or a Dual Currency Interest N&C Security), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with N&C Security Condition 14, the N&C Securityholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the N&C Securities, the Issuer has or will become obliged to account for any present or future taxes, duties, assessments or governmental charges levied (including, for the avoidance of doubt, on account of any withholding tax imposed under FATCA ("FATCA Withholding Tax")) or the Guarantor, if making payment itself, would be or would become obliged to account for any present or future taxes, duties, assessments or governmental charges levied (including, for the avoidance of doubt, on account of any FATCA Withholding Tax); and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it. Reasonable measures shall not include anything which has any material impact on the business of the Issuer or the Guarantor, as the case may be, or which would cause the Issuer or the Guarantor, as the case may be, to incur any material costs, and

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to account for any such taxes, duties, assessments or governmental changes were a payment in respect of the N&C Securities then due.

N&C Securities redeemed pursuant to this Condition will be redeemed at their Early Redemption Amount referred to in paragraph 7.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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7.7 Early Redemption Amounts

For the purpose of N&C Security Conditions 7.4 (Redemption for illegality), 7.5 (Regulatory Redemption Event), 7.6 (Redemption for tax reasons) and N&C Security 10 (Events of Default) or in the case of any other early redemption of the N&C Securities in an applicable Technical Annex or as otherwise specified in the applicable Final Terms, N&C Security will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a N&C Security with a Final Redemption Amount equal to the Issue Price, subject as provided below, the Final Redemption Amount thereof; or
- (b) in the case of a N&C Security (other than a Zero Coupon N&C Security but including an Instalment N&C Security and a Partly Paid N&C Security) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the N&C Security is denominated, subject as provided below, the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (c) in the case of a Zero Coupon N&C Security, an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

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

where:

RP means the Reference Price; and

AY means the Accrual Yield expressed as a decimal; and

y is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the N&C Securities to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such N&C Security becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms; or

- (d) if "**Market Value**" is specified as the Early Redemption Amount in the applicable Final Terms, the Early Redemption Amount in respect of each unit of N&C Securities or nominal amount of N&C Securities equal to the Calculation Amount shall be an amount determined by the Calculation Agent, which on (i) in the case of redemption other than pursuant to N&C Security Condition 10 (Events of Default), the second (2nd) Business Day immediately preceding the due date for the early redemption of the N&C Security or (ii) in the case of redemption pursuant to N&C Security Condition 10 (Events of Default), the due date for the early redemption of the N&C Security, represents the fair market value of the N&C Security taking into account all factors which the Calculation Agent determines relevant (including, but not limited to, interest rates, index levels, implied volatilities in the option markets and exchange rates), *less*, (other than in the case of Italian SeDeX Securities), Associated Costs. In respect of N&C Securities bearing interest and unless otherwise specified in the applicable Final Terms, the Early Redemption Amount, as determined by the Calculation Agent, in accordance with this paragraph, shall include any accrued interest up to but excluding (i) the second (2nd) Business Day immediately preceding the relevant early redemption date, in the case of redemption other than pursuant to N&C Security Condition 10 (Events of Default), or (ii) the due date for the early redemption of the N&C Security, in case of redemption pursuant to N&C Security Condition 10 (Events of Default), and apart from any such interest included in the Early Redemption Amount, no interest, accrued or otherwise, or any other amount whatsoever will be payable by the Issuer or, as the case may be, the Guarantor in respect of such redemption. Where such interest calculation is to be made for a period of less than a full Interest Period, it shall be made on the basis of the Day Count Fraction, if applicable, specified in the applicable Final Terms, and shall include the interest

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accrued from and including the Interest Payment Date falling immediately prior to the due date for redemption, to but excluding the (i) the second (2nd) Business Day immediately preceding the relevant due date for redemption, in the case of redemption other than pursuant to N&C Security Condition 10 (Events of Default), or (ii) the due date for the early redemption of the N&C Security, in case of redemption pursuant to N&C Security Condition 10 (Events of Default).

As used herein:

"**Associated Costs**" means an amount per nominal amount of the N&C Security equal to the Calculation Amount equal to such N&C Securities *pro rata* share (determined on the basis of the nominal amount of the N&C Security and the aggregate nominal amount of all N&C Securities which have not previously been redeemed or cancelled as at the Early Redemption Date) of the total amount of any and all costs or expenses associated or incurred by the Issuer, any Affiliate and/or Hedging Party (as applicable) in connection with such early redemption, including, without limitation, any costs associated with unwinding the funding relating to the N&C Securities and any costs associated with unwinding any hedge positions relating to the N&C Securities, all as determined by the Calculation Agent in its sole and absolute discretion.

7.8 Automatic Early Redemption Event

If Automatic Early Redemption is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if an Automatic Early Redemption Event as specified in the applicable Final Terms occurs, then the Issuer will give notice to N&C Securityholders in accordance with N&C Security Condition 14 (Notices) and the N&C Securities will be redeemed in whole, but not in part, on the Automatic Early Redemption Date as specified in the applicable Final Terms at the Automatic Early Redemption Amount as specified in the applicable Final Terms. For the purposes of these Conditions, the Agency Agreement, the Guarantee, Global N&C Securities and other forms of N&C Securities, all references to an Early Redemption Date or Early Redemption Amount shall be deemed to include a reference to an Automatic Early Redemption Date or Automatic Early Redemption Amount, as applicable.

7.9 Instalments

Instalment N&C Securities will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to N&C Security Condition 7.7 (Early Redemption Amounts).

7.10 Partly Paid N&C Securities

Partly Paid N&C Securities (other than Rule 144A Global N&C Securities, which may not be offered or sold on a partly paid basis) will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this N&C Security Condition 7 and the applicable Final Terms.

7.11 Purchases

The Issuer, the Guarantor or any of their respective Affiliates (as defined below) may at any time purchase N&C Securities (provided that, in the case of Definitive Bearer N&C Securities, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise, in accordance with applicable laws and regulations. Such N&C Securities may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent and/or the Registrar for cancellation, provided that any N&C Securities represented by a Rule 144A Global N&C Security so purchased may only be resold pursuant to Rule 144A.

7.12 Cancellation

All N&C Securities which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer N&C Securities, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All N&C Securities so cancelled and any N&C Securities purchased and cancelled pursuant to N&C Security Condition 7.11 (Purchases) above (together, in the case of Definitive Bearer N&C Securities, with all unmatured Receipts,

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Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.13 Late payment on Zero Coupon N&C Securities

Except as provided in the applicable Final Terms, if the amount payable in respect of any Zero Coupon N&C Security upon early redemption of such Zero Coupon N&C Security pursuant to N&C Security Conditions 7.4 (Redemption for illegality) or 7.5 (Regulatory Redemption Event) above or upon its becoming due and repayable as provided in N&C Security Condition 10 (Events of Default) or otherwise pursuant to any Technical Annex is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon N&C Security shall be the amount calculated as provided in N&C Security Condition 7.7(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon N&C Security becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon N&C Security have been paid; and
- (ii) five (5) days after the date on which the full amount of the moneys payable in respect of such Zero Coupon N&C Securities has been received by the Agent or the Registrar and notice to that effect has been given to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices).

7.14 Other Relevant Definitions

For the purposes of the Conditions:

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **"control"** means ownership of a majority of the voting power of an entity or person or, if the Calculation Agent determines appropriate, the power to direct or cause the direction of the management and policies of the First Entity, whether by contract, or otherwise.

"Hedging Party" means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the N&C Securities from time to time.

8. TAXATION

All payments of principal and interest in respect of the N&C Securities, Receipts and Coupons by the Issuer (or as the case may be, the Guarantor) will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied unless such withholding or deduction is required by law (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA). In such event, the Issuer (or as the case may be, the Guarantor or the relevant Paying Agent) will make such payment after the withholding or deduction of such taxes, duties, assessments or governmental charges has been made, shall account to the relevant authorities for the amount required to be withheld or deducted and shall not pay any additional amounts to the holders of the N&C Securities, Receipts or Coupons.

9. PRESCRIPTION

The N&C Securities (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten (10) years (in the case of principal) and five (5) years (in the case of interest) after the Relevant Date 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 N&C Security Condition 9 or N&C Security Condition 6.1(D) (*Payment of principal in respect of Definitive Bearer N&C Securities - Unmatured Coupons and Talons void*) or any Talon which would be void pursuant to N&C Security Condition 6.1(D) (*Payment of principal in respect of Definitive Bearer N&C Securities - Unmatured Coupons and Talons void*).

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For the purposes of these Conditions, 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 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 N&C Securityholders in accordance with N&C Security Condition 14 (Notices).

10. EVENTS OF DEFAULT

10.1 If (a) any one or more of the following events shall occur and be continuing and (b) the holders of at least twenty-five per cent. (25%) in nominal amount or, in the case of N&C Securities issued in units, of the number of the N&C Securities then outstanding so request, the Issuer by notice in relation to the same event given in accordance with N&C Security Condition 14 (Notices), then, upon the date of such notice requirement in (b) above being satisfied or, in the case of an event as described in (ii) below, on expiry of the relevant time period specified therein, the relevant event shall be treated as an "**Event of Default**" and unless (in the case of (i) or (ii) below) the relevant default(s) or failure(s) shall have been cured by the Issuer or the Guarantor prior to receipt of such written notice, all but not some only of the N&C Securities shall forthwith become due and repayable at the Early Redemption Amount, without presentment, demand, protest or other notice of any kind. For the purposes of (a) above the relevant events are:

- (i) default is made for a period of 30 days or more in the payment of any principal or interest (including, for the avoidance of doubt, as applicable, delivery of assets) due in respect of the N&C Securities or any of them. The Issuer and Guarantor shall not, however, be in default if such sums were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer or, as the case may be, the Guarantor will not be in default if it acts on the advice given to it during such 30 day period by an independent legal adviser; or
- (ii) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the N&C Securities, the Guarantee or the Agency Agreement (as the case may be) and such failure continues for the period of 60 days next following the notice requirement as described in (b) above being satisfied; or
- (iii) an effective resolution is passed or an order is made for the winding-up or dissolution of the Issuer or the Guarantor (except for the purposes of a reconstruction or amalgamation where the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations of, as the case may be, the Issuer (including its obligations under the N&C Securities) or the Guarantor (including its obligations under the Guarantee)).

At any time after such a declaration of acceleration with respect to the N&C Securities has been made and before a judgment or decree for payment of the money due with respect to any N&C Security has been obtained by any Securityholder, such declaration and its consequences may be rescinded and annulled upon the written consent of holders of a majority in aggregate nominal amount or, in the case of N&C Securities issued in units, of the number of the N&C Securities then outstanding, or by resolution adopted by a majority in aggregate nominal amount or, in the case of N&C Securities issued in units, of the number of the N&C Securities outstanding present or represented at a meeting of holders of the N&C Securities at which a quorum is present, as provided in the Agency Agreement, if:

- (1) (A) the Issuer has paid or deposited with the Principal Paying Agent a sum sufficient to pay:
 - (i) all overdue amounts of interest on the N&C Securities;
 - (ii) all other amounts which have become due in respect of the N&C Securities otherwise than by such declaration of acceleration; or
- (B) in the case of N&C Securities to be redeemed by physical delivery, the Issuer has delivered the relevant assets to any agent appointed by the Issuer to deliver such assets to the N&C Securityholders; and

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- (2) all Events of Default with respect to the N&C Securities, other than the non-payment of the Early Redemption Amounts which have become due solely by such declaration of acceleration, have been cured or waived by the relevant written resolution or resolution as provided above.

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

- 10.2 Any default by the Issuer or the Guarantor, other than the events described in N&C Security Condition 10.1(i) above, may be waived by the written consent of holders of a majority in aggregate principal amount of the N&C Securities then outstanding affected thereby, or by resolution adopted by a majority in aggregate principal amount of such N&C Securities then outstanding present or represented at a meeting of holders of the N&C Securities affected thereby at which a quorum is present, as provided in the Agency Agreement.

11. REPLACEMENT OF N&C SECURITIES, RECEIPTS, COUPONS AND TALONS

Should any N&C Security or, if applicable, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced, in the case of Definitive Bearer N&C Securities, Receipts or Coupons, at the specified office of the Principal Paying Agent or, in the case of Definitive Registered N&C Securities, at the specified office of the Registrar (or in any case such other place of which notice shall have been given to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) upon payment in any such case by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced N&C Securities or, if applicable, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

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

- (A) there will at all times be a Principal Paying Agent and a Registrar;
- (B) so long as the N&C Securities 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 Definitive Bearer N&C Securities) and a Transfer Agent (in the case of Definitive Registered N&C Securities) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (C) so long as any of the Definitive Registered Global N&C Securities payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in N&C Security Condition 6.5 (Place of Payment). Any variation, termination, appointment or change in relation to any Series of N&C Securities 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 N&C Securityholders of the relevant Series of N&C Securities in accordance with N&C Security Condition 14 (Notices).

In acting under the Agency Agreement, the Agents act solely as agents or, as the case may be, a registrar of the Issuer and the Guarantor, and do not assume any obligation to, or relationship of agency or trust with, any N&C Securityholders, 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.

The Issuer undertakes that, it will ensure that it maintains a Paying Agent with a specified office in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing, or complying with, or introduced in order to conform to, any such Directive, provided that under no circumstances shall the Issuer be obliged to maintain a Paying Agent with a specified office in such Member State unless at

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least one European Member State does not require a Paying Agent making payments through a specified office in that Member State to so withhold or deduct tax.

The Principal Paying Agent shall have no responsibility for errors or omissions in any calculations and determinations made hereunder, and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the Paying Agents, the N&C Securityholders, the Receipholders and the Couponholders.

13. 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 N&C Security to which it appertains) a further Talon, subject to the provisions of N&C Security Condition 9 (Prescription).

14. NOTICES

All notices regarding the N&C Securities will be deemed to be validly given if published in one leading English language daily newspaper of general circulation in London (or, in the case of Italian Securities, a leading Italian language newspaper). It is expected that, other than in the case of Italian Securities, such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the N&C Securities are for the time being listed or by which they have been admitted to listing. 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, notice will be given in such other manner as the Issuer deems appropriate. Any such notice will be deemed to have been given on the date of such notice.

Until such time as any definitive N&C Securities are issued, notice may be given (so long as any Global N&C Securities representing the N&C Securities are held in their entirety on behalf of DTC, Euroclear and/or Clearstream, Luxembourg (and so long as the rules of any stock exchange on which the N&C Securities are listed, or the rules of any other relevant authority by which the N&C Securities have been admitted to listing, permit)) by delivery of the relevant notice to DTC, Euroclear and/or Clearstream, Luxembourg (instead of by way of publication or mailing) for communication by them to the holders of the N&C Securities provided that, in addition, for so long as any N&C Securities are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in a place or places required by the rules of that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the N&C Securities on the day on which the said notice was given to DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be.

All notices regarding the Definitive Registered N&C Securities 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 Definitive Registered N&C Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or 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.

In the case of definitive N&C Securities, notices to be given by any N&C Securityholder shall be in writing and given by lodging the same, together with the relative N&C Security or N&C Securities, with the Principal Paying Agent (in the case of Definitive Bearer N&C Securities) or the Registrar (in the case of Definitive Registered N&C Securities). Whilst any of the N&C Securities are represented by a Global N&C Security, such notice may be given by any holder of a N&C Security to the Principal Paying Agent or the Registrar through DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in writing or by facsimile or electronically or in such other manner as the Principal Paying Agent, the Registrar and DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

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15. SUBSTITUTION

(a) Substitution of Issuer

The Issuer (or any previously substituted company from time to time) shall, without the consent of the N&C Securityholders, be entitled at any time to substitute for the Issuer any other company (the "**Substitute Issuer**") as principal debtor in respect of all obligations arising from or in connection with the N&C Securities provided that (i) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the N&C Securities represent valid, legally binding and enforceable obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute Issuer shall have assumed all obligations arising from or in connection with the N&C Securities and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute Issuer in respect of the N&C Securities shall be unconditionally and irrevocably guaranteed by the Guarantor; (iv) each stock exchange or listing authority on which the N&C Securities are listed shall have confirmed that following the proposed substitution of the Substitute Issuer the N&C Securities would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 14 calendar days' prior notice of the date of such substitution to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices).

(b) Substitution of Branch

The Issuer shall have the right upon notice to the N&C Securityholders in accordance with N&C Security Conditions 14 (Notices) to change the branch or office through which it is acting for the purpose of the N&C Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

16. MEETINGS OF N&C SECURITYHOLDERS AND MODIFICATIONS

The Agency Agreement contains provisions for convening meetings of the N&C Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in Schedule 6 of the Agency Agreement) of a modification of the N&C Securities, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor at any time and shall be convened by the Issuer at the request of N&C Securityholders holding not less than five per cent. (5%) in nominal amount or number of units of the N&C Securities for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate not less than fifty per cent. (50%) in nominal amount or number of units of the N&C Securities for the time being outstanding, or at any adjourned such meeting one or more persons being or representing N&C Securityholders whatever the nominal amount or number of units of the N&C Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the N&C Securities, the Receipts or the Coupons (including modifying the date of maturity of the N&C Securities or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the N&C Securities or altering the currency in which payments under the N&C Securities, Receipts and Coupons are to be made), the quorum shall be one or more persons holding or representing in the aggregate not less than two-thirds, or, at any adjourned such meeting, one or more persons holding or representing in the aggregate not less than one-third, in nominal amount or number of units of the N&C Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the N&C Securityholders shall be binding on all the N&C Securityholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the Issuer may agree, without the consent or sanction of the N&C Securityholders, Receiptholders or Couponholders to:

- (A) any modification of (except as mentioned above) the provisions of the N&C Securities, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the N&C Securityholders; or
- (B) any modification of any of the provisions of these Conditions, the N&C Securities, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or is to comply with mandatory provisions of applicable law.

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Any such modification shall be binding on the N&C Securityholders, the Receiptholders and the Couponholders and any such modification shall be notified to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) as soon as practicable thereafter.

17. REDENOMINATION

17.1 Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the N&C Securityholders, the Receiptholders and the Couponholders on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least thirty (30) calendar days' prior notice to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) elect that, with effect from the Redenomination Date specified in the notice, the N&C Securities shall be redenominated in euro.

The election will have effect as follows:

- (a) the N&C Securities and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each N&C Security and Receipt equal to the nominal amount of that N&C Security or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the N&C Securityholders, the stock exchange (if any) on which the N&C Securities may be listed and the Paying Agents of such deemed amendments;
- (b) save to the extent that an Exchange Notice has been given in accordance with N&C Security Condition 17.1(d) below, the amount of interest due in respect of the N&C Securities will be calculated by reference to the aggregate nominal amount of N&C Securities presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (c) if definitive N&C Securities are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer (i) in the case of Relevant N&C Securities, in the denomination of euro 100,000 and/or such higher amounts as the Agent may determine and notify to the N&C Securityholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the N&C Securityholders in euro in accordance with N&C Security Condition 6 (Payments); and (ii) in the denominations of euro 1,000, euro 10,000, euro 50,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the N&C Securityholders;
- (d) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the N&C Securities) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated N&C Securities, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any N&C Securities and Receipts so issued will also become void on that date although those N&C Securities and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated N&C Securities, Receipts and Coupons will be issued in exchange for N&C Securities, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the N&C Securityholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the N&C Securities;
- (e) after the Redenomination Date, all payments in respect of the N&C Securities, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the N&C Securities to the Specified Currency were to euro. Payments will

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be made in euro 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;

- (f) if the N&C Securities are Fixed Rate N&C Securities and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:
 - (i) in the case of the N&C Securities represented by a Global N&C Security, by applying the Rate of Interest to the aggregate outstanding nominal amount of the N&C Securities represented by such Global N&C Security; and
 - (ii) in the case of definitive N&C Securities, by applying the Rate of Interest to 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 N&C Security in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate N&C Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

- (g) if the N&C Securities are Floating Rate N&C Securities, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and
- (h) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the Principal Paying Agent, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

17.2 Definitions

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

"Established Rate" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140 of the Treaty;

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

"Redenomination Date" means (in the case of interest bearing N&C Securities) any date for payment of interest under the N&C Securities or (in the case of any other N&C Securities) any date, in each case specified by the Issuer in the notice given to the N&C Securityholders pursuant to N&C Security Condition 17.1 above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"Relevant N&C Securities" means all N&C Securities where the applicable Final Terms provide for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area; and

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

18. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the N&C Securityholders, the Receiptholders or the Couponholders to create and issue further N&C Securities having terms and conditions the same as the N&C Securities or

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the same in all respects save for the issue price and date of issue thereof and the amount and date of the first payment of interest thereon and so as to be consolidated and form a single Series with the outstanding N&C Securities.

19. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the N&C Securities by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any kind which exists or is available apart from that Act.

20. SEVERABILITY

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

21. GOVERNING LAW

The Agency Agreement, the Guarantee, the Deed of Covenant, the N&C Securities, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant, the N&C Securities, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the N&C Securities, the Receipts and/or the Coupons (including any disputes relating to any non-contractual obligations arising out of or in connection with the N&C Securities, the Receipts and/or the Coupons).

The Issuer and, where applicable, the Guarantor, have in the Agency Agreement, the Guarantee and the Deed of Covenant agreed to the jurisdiction of the English courts.

General Conditions of the Warrants

GENERAL TERMS AND CONDITIONS OF THE WARRANTS

The following general terms and conditions (the "**Warrant Conditions**"), together with the Technical Annex(es) (if applicable), are the terms and conditions (collectively, the "**Conditions**") of the Warrants which will be incorporated by reference into each Global Warrant (as defined below). The applicable Final Terms in relation to any Tranche of Warrants will complete and supplement the Conditions in relation to each Tranche of Warrants and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Warrant Conditions, together with the Technical Annex(es) (if applicable), replace or modify the following Warrant Conditions for the purpose of such Warrants. The applicable Final Terms, (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Warrant. Reference should be made to "Form of the Securities" for a description of the content of the applicable Final Terms which will specify which of such terms are to apply in relation to the relevant Warrants. References in these Conditions to "**Final Terms**" shall mean a tranche of Warrants issued pursuant to this Prospectus.

This Warrant is one of a Series of Warrants issued by Abbey National Treasury Services plc (the "**Issuer**" which expression shall include any substitute pursuant to Warrant Condition 15 (Substitution) below) pursuant to a Warrant Agreement (as defined below). The Warrants of each Series are constituted by a global warrant (the "**Global Warrant**").

References herein to the "**Warrants**" shall be references to the Warrants of this Series and shall include any Global Warrant.

The Warrants have the benefit of a warrant agreement dated on or about 5 April 2012 (such Warrant Agreement as amended and/or supplemented and/or restated from time to time, the "**Warrant Agreement**") made between the Issuer, Santander UK plc (the "**Guarantor**") as guarantor, Citibank, N.A., London as principal warrant agent (the "**Principal Warrant Agent**", which expression shall include any additional or successor agent acting in such capacity), Citigroup Global Markets Deutschland AG as the German warrant agent (the "**German Warrant Agent**" which expression shall include any additional or successor agent acting in such capacity), and Banque Internationale à Luxembourg, *société anonyme* as Luxembourg warrant agent (the "**Luxembourg Warrant Agent**", which expression shall include any additional or successor agent acting in such capacity and, together with the Principal Warrant Agent and the German Warrant Agent, the "**Warrant Agents**"). The Principal Warrant Agent, the German Warrant Agent, the Luxembourg Warrant Agent and the Calculation Agent are together referred to as the "**Agents**".

References to "**Calculation Agent**" are to the entity specified as such in the applicable Final Terms or any successor in such capacity.

The Issuer's obligations in respect of this Warrant have been guaranteed by the Guarantor pursuant to a guarantee (the "**Guarantee**") dated 5 April 2012 and executed by the Guarantor. The original Guarantee is held by the Principal Warrant Agent at its specified office.

The final terms for this Warrant (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Warrant which supplement these General Terms and Conditions of the Warrants (the "**Warrants**", which term shall include one or more Technical Annex(es) in the form annexed hereto (each a "**Technical Annex**") if specified as applicable in such Final Terms) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of this Warrant. 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 Warrant and provisions relating to types of Warrants for which no Technical Annex exists shall be set out, if required, in the applicable Final Terms.

Any reference to "**Warrantholders**" or "**holders**" in relation to any Warrants shall mean the holders of the Warrants and shall, in relation to any Warrants represented by a Global Warrant, be construed as provided below.

As used herein, "**Tranche**" means Warrants which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Warrants together with any further Tranche or Tranches of Warrants 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, and/or Issue Prices.

Copies of the Warrant Agreement (which contains the form of the Guarantee) are available for inspection during normal business hours at the specified office of each of the Warrant Agents. Copies of the applicable Final Terms are available for viewing during normal business hours at the specified office of each of the Warrant Agents and copies may be obtained from those offices save that,

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if the Warrants are 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 Directive 2003/71/EC (the "**Prospectus Directive**"), the applicable Final Terms will only be obtainable by a Warrantholder holding one or more Warrants and such Warrantholder must produce evidence satisfactory to the Issuer and the relevant Warrant Agent as to its holding of such Warrants and identity. The Warrantholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Warrant Agreement, the Guarantee, and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Warrant Agreement.

Words and expressions defined in the Warrant 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 Warrant Agreement and the applicable Final Terms, the applicable Final Terms shall prevail. In the case of any inconsistency between any Technical Annex(es) specified as applicable in the applicable Final Terms and other parts of these Conditions, the provisions of the applicable Technical Annex(es) shall prevail. In the case of any inconsistency between the applicable Final Terms and the Conditions, the applicable Final Terms shall prevail.

1. TYPE, TITLE AND TRANSFER

1.1 Type

A Warrant may be designated in the applicable Final Terms as relating to a single currency or basket of currencies, a single equity index or basket of equity indices, a single share or basket of shares, a single debt security or basket of debt securities, a single commodity or basket of commodities, a single inflation index or basket of inflation indices, a single property index or basket of property indices, a single fund share or unit or basket of fund shares or units and other asset classes or types (the "**Relevant Asset**") and accordingly as a Currency Linked Warrant, an Equity Index Linked Warrant, an Equity Linked Warrant, a Commodity Linked Warrant, a Debt Linked Warrant, a Fund Linked Warrant, an Inflation Index Linked Warrant, a Property Index Linked Warrant or any other or further type of warrants including Warrants which relate to any combination of such Relevant Assets. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Currency Linked Warrants, Equity Index Linked Warrants, Equity Linked Warrants, Fund Linked Warrants, Inflation Index Linked Warrants or Property Index Linked Warrants are set out in the relevant Technical Annex specified to be applicable in the applicable Final Terms.

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**"), European style Warrants ("**European Style Warrants**") or Bermudan style Warrants ("**Bermudan Style Warrants**") or such other type as may be specified in the applicable Final Terms, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, and whether Averaging ("**Averaging**") will apply to the Warrants. Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect. The number of Warrants per Unit shall be 1 Warrant per Unit. If Averaging is specified as applying in the applicable Final Terms the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in the relevant Technical Annex) applies.

References in the Conditions, unless the context otherwise requires, to Cash Settled Warrants shall be deemed to include references to Physical Delivery Warrants, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Warrant and where settlement is to be by way of cash payment, and references in the Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Warrant and where settlement is to be by way of physical delivery.

Warrants may allow holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Warrants where the holder has elected for cash payment will be Cash Settled Warrants and those Warrants where the holder has elected for physical delivery will be

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Physical Delivery Warrants. The rights of a holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms.

1.2 Title to Warrants

Each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular number of Warrants (in which regard any warrant or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants 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 Guarantor and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions "**Warrantholder**" and "**holder of Warrants**" and related expressions shall be construed accordingly).

1.3 Transfers of Warrants

All transactions (including transfers of Warrants) in the open market or otherwise must be effected through an account at Clearstream, Luxembourg or Euroclear subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or of Euroclear, as the case may be. Title will pass upon registration of the transfer in the books of either Clearstream, Luxembourg or Euroclear, as the case may be. Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Warrant Condition 5 (Exercise Procedure).

The Warrants shall only be transferred in Clearstream, Luxembourg or Euroclear in Units, with each Unit representing 1 Warrant. The applicable Final Terms will also specify the Minimum Tradeable Size and, if applicable, the Multiple Tradeable Size expressed in Units. Any transfers may only be made in the Minimum Tradeable Size and the Multiple Tradeable Size in excess thereof specified in the applicable Final Terms.

Any reference herein to Clearstream, Luxembourg and/or Euroclear 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 and Principal Warrant Agent, and notified to the Warrantholders in accordance with Warrant Condition 11 (Notices).

Transfers of Warrants may only be made, prior to expiry of the Distribution Compliance Period (as defined below), upon certification (in the form from time to time available from any Warrant Agent) to the Principal Warrant Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S and, after the expiration of the Distribution Compliance Period, to a non-U.S. person in an offshore transaction pursuant to Regulation S but without such certification.

If the Principal Warrant Agent subsequently determines or is subsequently notified by the Issuer that (i) the Warrantholder was in breach, at the time given, of any representation or agreement given by such Warrantholder or (ii) a transfer or attempted transfer of any Warrants was consummated that did not comply with the transfer restrictions set forth in this Warrant Condition 1.3, the purported transfer shall be absolutely null and *void ab initio* and shall vest no rights in the purported transferee (such purported transferee, a "Disqualified Transferee") and the last preceding Warrantholder that was not a Disqualified Transferee shall be restored to all rights as a Warrantholder in such Warrants retroactively to the date of transfer of such Warrants by such Warrantholder. The Calculation Agent will make any adjustments to the Conditions as it determines appropriate to reflect any such event.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or any additional or alternative clearing system specified in the applicable Final Terms or otherwise approved by the Issuer, the Guarantor and the Warrant Agents (each a "**Clearance System**").

2. STATUS OF THE WARRANTS

The Warrants are direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and (subject to any applicable statutory provisions or judicial order) at least equally with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.

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3. STATUS OF THE GUARANTEE

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsecured and unsubordinated obligations of the Guarantor and rank *pari passu* with all present and future direct, unconditional, unsecured and unsubordinated obligations (including those arising under deposits received in its banking business) of the Guarantor, without any preference among themselves and without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.

Subject as provided below and in the Guarantee, the Guarantor has unconditionally and irrevocably:

- (a) guaranteed to each Warrantholder all obligations of the Issuer in respect of such Warrantholder's Warrants as and when such obligations become due; and
- (b) agreed that if and each time that the Issuer fails to satisfy any obligation under such Warrants as and when such obligation becomes due, the Guarantor will (without requiring the relevant Warrantholder first to take steps against the Issuer or any other person) make or cause to be made such payment or satisfy or cause to be satisfied such obligation punctually when and as the same shall become due and payable or due to be satisfied, as the case may be, as though the Guarantor were the principal obligor in respect of such obligation.

As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, in its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement (as specified in the applicable Final Terms) to the holders of Physical Delivery Warrants when the same shall become due and deliverable, but in lieu thereof to make payment in respect of each Physical Delivery Warrant to the holder(s) of such Physical Delivery Warrant of an amount determined by the Guarantor in good faith and in a commercially reasonable manner to be equal to the fair market value of the assets to which the Entitlement in respect of the relevant Warrant relates less such Warrant's *pro rata* share of the costs of unwinding any underlying related hedging and/or funding arrangements of the Issuer and/or Guarantor (the "**Guaranteed Cash Settlement Amount**"). Any payment of the Guaranteed Cash Settlement Amount in lieu of the relevant Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of the relevant Warrants save as to any other cash amounts due in respect of such Warrants.

4. EXERCISE RIGHTS

4.1 Exercise Period

(A) *American Style Warrants*

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure), at or prior to 10.00 a.m., Luxembourg or Brussels time, as appropriate, on the Expiration Date, shall become void.

If Automatic Exercise is specified as applying in the applicable Final Terms, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure), at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the last Exercise Business Day of the Exercise Period (in respect of an American Style Warrant, the "**Expiration Date**") and which in the determination of the Calculation Agent is "In-The-Money", shall be exercised by the Principal Warrant Agent on behalf of the relevant Warrantholder on the Expiration Date. The expression "exercise", "due exercise" and related expressions shall be construed to apply to any American Style Warrants which Automatic Exercise applies in accordance with this provision.

With respect to an American Style Warrant, the "**Actual Exercise Date**" means (i) the Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), to Clearstream, Luxembourg or Euroclear, as the case may be, and the copy thereof so received by the Principal Warrant Agent or, (ii) if Automatic Exercise is specified as applying in the applicable Final Terms and there is no

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earlier Actual Exercise Date under (i) above and Automatic Exercise occurs on the Expiration Date in accordance with the preceding paragraph, the Expiration Date. If any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrants in respect of which no Exercise Notice has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure) at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified as applying in the applicable Final Terms, become void, or (ii) if Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date, subject as provided above.

(B) *European Style Warrants*

European Style Warrants are only exercisable on the Exercise Date.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure), at or prior to 10.00 a.m. (Luxembourg or Brussels time, as appropriate) on the Exercise Date or if such day is not an Exercise Business Day, the immediately following Exercise Business Day (in respect of a European Style Warrant, the "**Actual Exercise Date**" and the "**Expiration Date**"), shall become void.

If Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant which in the determination of the Calculation Agent is "In-The-Money", shall be automatically exercised by the Principal Warrant Agent on behalf of the Warrantholders on the Actual Exercise Date and the provisions of Warrant Condition 5 (Exercise Procedure) shall apply. The expression "exercise", "due exercise" and related expressions shall be construed to apply to any European Style Warrants to which Automatic Exercise applies in accordance with this provision.

(C) *Bermudan Style Warrants*

Bermudan Style Warrants are exercisable on each Exercise Date or if any Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any Bermudan Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure), at or prior to 10.00 a.m. (Luxembourg or Brussels time, as appropriate) on the last Exercise Date or if such day is not an Exercise Business Day, the immediately following Exercise Business Day (in respect of a Bermudan Style Warrant, the "**Expiration Date**"), shall become void.

If Automatic Exercise is specified as applying in the applicable Final Terms, any such Bermudan Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure), at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date, and which in the determination of the Calculation Agent is "In-The-Money", shall be exercised by the Principal Warrant Agent on behalf of the relevant Warrantholder on the Expiration Date. The expression "exercise", "due exercise" and related expressions shall be construed to apply to any Bermudan Style Warrants to which Automatic Exercise applies in accordance with this provision.

With respect to a Bermudan Style Warrant, the "**Actual Exercise Date**" means (i) the Exercise Date, or if such Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day, on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), to Clearstream, Luxembourg or Euroclear, as the case may be, and the copy thereof so received by the Principal Warrant Agent or, (ii) if Automatic Exercise is specified as applying in the applicable Final Terms and there is no earlier Actual Exercise Date under (i) above and Automatic Exercise occurs on the Expiration Date in accordance with the preceding paragraph, the Expiration Date. If any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Warrant Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Exercise Date, or if such Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day, such

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Exercise Notice will be deemed to have been delivered on the next Exercise Date (or if such Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day), which Exercise Date (or if such Exercise Date is not an Exercise Business Day, the immediately following Exercise Business Day) shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Warrant Condition 5 (Exercise Procedure) at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified as applying in the applicable Final Terms, become void or (ii) Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date, subject as provided above.

For the purposes of this Warrant Condition 4.1, **In-The-Money** means:

- (i) in the case of a Cash Settled Warrant, the Cash Settlement Amount in respect of such Cash Settlement Warrant is greater than zero; and
- (ii) in the case of a Physical Delivery Warrant, the Assessed Value Payment Amount for such Physical Delivery Warrant is greater than zero,

in each case in the determination of the Calculation Agent.

4.2 Cash Settlement

(A) Cash Settlement Amount

If the Warrants are Cash Settled Warrants, unless otherwise specified in the Final Terms, each Unit entitles its holder, upon due exercise, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

- (i) where Averaging is not specified in the applicable Final Terms:
 - (a) if such Units represent Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Currency Linked Warrants only, the Unit Nominal Amount; and
 - (b) if such Units represent Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Currency Linked Warrants only, the Unit Nominal Amount.
- (ii) where Averaging is specified in the applicable Final Terms:
 - (a) if such Units represent Call Warrants,

((i) the arithmetic mean of the Settlement Prices for all the Averaging Dates less (ii) Exercise Price) multiplied by, in the case of Currency Linked Warrants only, the Unit Nominal Amount; and
 - (b) if such Units represent Put Warrants,

(i) Exercise Price less (ii) the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Currency Linked Warrants only, the Unit Nominal Amount.

Any amount determined pursuant to the above, if not an amount in the Specified Currency, will be converted into the Specified Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount.

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(B) Rounding provisions

If "**Rounded Up**" is specified in the applicable Final Terms, Warrants exercised at the same time by the same Warrantholder will be aggregated for the purposes of determining the aggregate Cash Settlement Amount payable in respect of such Warrants, with the resultant amount rounded up to the nearest sub-unit.

If "**Rounded Down**" is specified in the applicable Final Terms, Warrants exercised at the same time by the same Warrantholder will be aggregated for the purposes of determining the aggregate Cash Settlement Amount payable in respect of such Warrants, with the resultant amount rounded down to the nearest sub-unit.

For this purpose, "**sub-unit**" means (i) for any non-euro denominated Warrants, the lowest amount of the Specified Currency that is available as legal tender in the country of such currency and (ii) for any euro denominated Warrants, one cent.

4.3 Physical Settlement

(A) Exercise Rights in relation to Physical Delivery Warrants

(1) Asset Transfer Notices

In relation to Physical Delivery Warrants, in order to obtain delivery of the Entitlement on the Settlement Date in respect of each Warrant upon due exercise and subject to payment of the relevant Exercise Price and any other sums payable, the relevant Warrantholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Warrant Agent and the Calculation Agent not later than the close of business in each place of reception on or prior to 10:00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date, a duly completed Asset Transfer Notice in the form set out in the Warrant Agreement, together, in the case of any Physical Delivery Warrants that are not specified in the applicable Final Terms to be Automatic Exercise, an Exercise Notice as specified in Warrant Condition 5.1(a).

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Principal Warrant Agent.

An Asset Transfer Notice may only be delivered in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Warrantholder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (ii) specify the number of Warrants and, if applicable, Units which are the subject of such notice and the number of the Warrantholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Warrants and irrevocably instruct and authorise Euroclear or Clearstream, as the case may be, to debit the relevant Warrantholder's account on or before the Settlement Date;
- (iii) include an undertaking to pay all Exercise Expenses (as defined in Warrant Condition 5.1(a)(v) below) and an authority to Euroclear or Clearstream, Luxembourg, as the case may be, to debit a specified account of the Warrantholder with Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Exercise Expenses;
- (iv) include such details as are required for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Warrantholder's account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any

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dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price;

- (v) certify, *inter alia*, that the beneficial owner of each Warrant is not a U.S. person (as defined in the Asset Transfer Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof, and where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America, as required by the Issuer or indicated and set out in the applicable Final Terms; and
- (vi) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

(2) Verification of the Warrantholder

Upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Warrants described therein according to its records. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Warrant Agent the series number and number of Warrants which are the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Warrant. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg as the case may be will on or before the Settlement Date debit the securities account of the relevant Warrantholder with the relevant Warrants.

(3) Determinations

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by Euroclear or Clearstream, Luxembourg, as the case may be, in consultation with the Principal Warrant Agent, and shall be conclusive and binding on the Issuer, the Principal Warrant Agent(s) and the relevant Warrantholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent immediately after being delivered or sent as provided in paragraph 11(A)(1) below, shall be null and void.

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

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearance System or the Principal Warrant Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Warrantholder may not transfer the Warrants which are the subject of such notice.

(4) Delivery

(a) Subject to:

- (i) an Asset Transfer Notice having been duly delivered as provided above on or prior to the Expiration Date together, in the case of any Physical Delivery Warrants that are not specified in the applicable Final Terms to be Automatic Exercise, an Exercise Notice having been duly delivered as specified in Warrant Condition 5.1(a); and
- (ii) all Exercise Expenses having been paid or otherwise accounted for to the satisfaction of the Issuer by the relevant Warrantholder,

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the Issuer shall, at the risk of the relevant Warrantholder, deliver or procure the delivery of the Entitlement for each Warrant, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Warrantholder in the relevant Asset Transfer Notice, on the applicable Settlement Date (such date, subject to adjustment in accordance with this Equity Linked Condition, the "**Settlement Date**"). Where the Asset Transfer Notice stipulates that the Entitlement should be delivered to a specified clearing system, the Issuer's or the Guarantor's obligation to deliver such Entitlement will be discharged by delivery to, or to the order of, the relevant clearing system and each of the persons shown in the records of the relevant clearing system as the account holder must look solely to the relevant clearing system for his share of any Entitlement so delivered.

- (b) If a Warrantholder fails to deliver an Asset Transfer Notice as provided herein with a copy to the Warrant Agent, on or prior to the Expiration Date, then:
- (i) the Issuer may elect, in its sole discretion to deliver or procure the delivery of the aggregate Entitlements for all such affected Warrants, at the risk of the relevant Warrantholder, to, or to the order of, the relevant Clearance System(s) in which the Warrants are held (and this may be after the date fixed for cancellation) and its obligation to deliver any such Entitlement so delivered shall be discharged thereby. Each of the persons shown in the records of the relevant Clearance System as the holder of a particular amount of the Warrants must look solely to the relevant Clearance System for his share of each such Entitlement so delivered to, or to the order of, such Clearance System. For the purposes of paragraph (5) below, each Clearance System will be deemed to be a single Warrantholder and each Clearance System will be requested to divide and deliver such Entitlements in accordance with its rules; or
 - (ii) the Entitlement will be delivered as soon as practicable after the Settlement Date at the risk of such Warrantholder in the manner provided in paragraph (a) above. For the avoidance of doubt, in such circumstances such Warrantholder shall not be entitled to any payment as a result of such delivery falling after the Settlement Date and no liability in respect thereof shall attach to the Issuer.
- (c) To the extent that the Issuer is not satisfied that the Exercise Expenses have been or will be paid in full by the relevant Warrantholder on or prior to the relevant Settlement Date, the Issuer may, in its sole discretion, elect to reduce the Entitlement(s) to be delivered by an amount(s) which by market value (determined at the time of reduction by reference to such valuation sources as the Issuer determines appropriate) in aggregate is at least equal to the aggregate Exercise Expenses that it determines, in its sole discretion, have not been paid or otherwise accounted for (the Entitlement as so reduced, the "**Reduced Entitlement**"). Where the Issuer elects to make such a reduction, in accordance with this Warrant Condition 4.3(A)(4)(c), the Issuer's obligation to deliver the Entitlement(s) shall be discharged in full by delivery of the Reduced Entitlement in accordance with the provisions of this Warrant Condition 4.3(A)(4)(c). The provisions of paragraphs (5) and (6) of this Warrant Condition 4.3(A) and the provisions of Warrant Condition 4.3(B) shall apply *mutatis mutandis* to any such delivery of the Reduced Entitlement.

(5) General

For the purpose of determining the Entitlements in respect of the Warrants, Warrants held by the same Warrantholder will be aggregated. The aggregate Entitlement(s) to be delivered in respect of each such aggregated holding will be rounded down to the nearest whole unit of the Relevant Asset (or, where there is more than one type of Relevant Asset, each of the Relevant Assets), as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered but in lieu thereof the Issuer shall pay to the Warrantholders in respect of their respective holding an additional amount in the Specified Currency equal to the fair market value of such

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fraction(s) in such manner as shall be determined by the Calculation Agent in its sole and absolute discretion and notified to Warrantheholders in accordance with Warrant Condition 11 (Notices).

Following the Settlement Date of a Share or other Relevant Asset, all dividends on such Share or other distributions with respect to such other the Relevant Asset to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or other Relevant Asset executed on the Settlement Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Warrantheholder will be paid to the account specified by the Warrantheholder in the relevant Asset Transfer Notice or otherwise paid to the relevant Clearance System for the account of Warrantheholders.

For such period of time after delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Entitlement (the "**Intervening Period**"), none of the Issuer, the Warrant Agents or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Warrantheholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Warrantheholder in respect of any loss or damage which such Warrantheholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations comprised in such Entitlement or otherwise as specified in the applicable Final Terms.

(6) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Settlement Date, then the Settlement Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event unless there is a Settlement Disruption Event on each of the ten (10) Settlement Business Days immediately following the original date that, but for such Settlement Disruption Event, would have been a valid Settlement Date. In that case, (a) if the Entitlement can be delivered in any other commercially reasonable manner, as determined by the Calculation Agent, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be the first day on which settlement of a sale of Relevant Assets comprising the Entitlement executed on that tenth (10) Clearance System Business Day would customarily take place using such other commercially reasonable manner, and (b) if the Relevant Assets comprising the Entitlement cannot be delivered in any other commercially reasonable manner, then the Settlement Date will be postponed until delivery can be effected in the manner contemplated in the Asset Transfer Notice or in any other commercially reasonable manner, as determined by the Calculation Agent. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant by payment to the relevant Warrantheholder of the Disruption Cash Settlement Price (as defined below) on the fifth (5th) Business Day following the date that notice of such election is given to the Warrantheholders in accordance with Warrant Condition 11 (Notices). Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantheholders in accordance with Warrant Condition 11 (Notices). The Calculation Agent shall give notice as soon as practicable to the Warrantheholders in accordance with Warrant Condition 11 (Notices) that a Settlement Disruption Event has occurred. No Warrantheholder shall be entitled to any payment in respect of the relevant Warrant in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

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(B) Definitions specific to Physical Delivery

"**Asset Transfer Notice**" shall mean the notice in the form set out in the Warrant Agreement.

"**Disruption Cash Settlement Price**", in respect of any relevant Warrant, shall be the fair market value of such Warrant expressed in the Specified Currency (taking into account any relevant currency exchange rate and, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Asset), all as determined by the Calculation Agent in its sole and absolute discretion.

"**Expiration Date**" has the meaning specified in the applicable Final Terms.

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms.

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Assets using the method specified in the applicable Final Terms.

4.4 Issuer's Option to Vary Settlement

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of a Warrant in accordance with the Conditions, the Issuer may at its sole and unfettered discretion in respect of such Warrant, elect not to pay the relevant Warrantheolders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantheolders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantheolders, as the case may be. Notification of such election will be given to Warrantheolders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

4.5 General

In relation to any Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "exercise", "due exercise" and related expressions shall be construed to apply to any such Warrants which are automatically exercised in accordance with the above provisions.

None of the Issuer, the Guarantor, the Calculation Agent and the Warrant Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

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

All references in this Condition to "**Luxembourg or Brussels time**" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

4.6 Business Day Convention

If the date for payment of any amount due in respect of any Warrant is not a Business Day, the Warrantheolder shall not be entitled to payment until:

- (a) if "**Following**" is specified in the applicable Final Terms, the next following Business Day; or
- (b) if "**Modified Following**" is specified in the applicable Final Terms, the next following Business Day unless that day falls in the next calendar month, in which case the first preceding day that is a Business Day,

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in each case with payment being made in the relevant place and the Warrantholder shall not be entitled to any further payment in respect of such delay. If no Business Day Convention is specified in the applicable Final Terms the "Following" Business Day Convention will apply to the Warrants.

4.7 Definitions

For the purposes of the Conditions, the following general definitions will apply:

"Business Day" means (i) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and Clearstream, Luxembourg and Euroclear are open for business and (ii) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) is open (the **"TARGET2 System"**).

"Cash Settlement Amount" means, in relation to each Cash Settled Warrant, the aggregate amount to which the Warrantholder is entitled in the Specified Currency in relation to such Cash Settled Warrant. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards if "Rounded Up" is specified in the applicable Final Terms or (b) rounded downwards if "Rounded Down" is specified in the applicable Final Terms, in each case as provided in Warrant Condition 4.2 (Cash Settlement).

"Distribution Compliance Period" means either the period expiring (i) 40 days after completion of the distribution of the relevant Warrants or (ii) such longer period as may be specified in the applicable Final Terms.

"Entitlement" means, in relation to a Physical Delivery Warrant, the aggregate quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Warrantholder is entitled to receive on the Settlement Date in relation to such Physical Delivery Warrant. The Entitlement shall be rounded down as provided in Warrant Condition 4.3(A), as determined by the Calculation Agent including any documents evidencing such Entitlement.

"Exercise Business Day" means:

- (a) in the case of Cash Settled Warrants, a day that is a Business Day; and
- (b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day.

"Exercise Date" is as specified in the applicable Final Terms, provided that, if such date is not an Exercise Business Day the Exercise Date shall be the immediately succeeding Exercise Business Day.

"Exercise Price" is as specified in the applicable Final Terms.

"Minimal Tradeable Amount" is as specified in the applicable Final Terms and in Warrant Condition 1.3.

"Multiple Tradeable Amount" is as specified in the applicable Final Terms and in Warrant Condition 1.3.

"Relevant Asset" is as specified in the applicable Final Terms.

"Scheduled Trading Day" is as defined in the applicable Technical Annex.

"Settlement Date" means:

- (a) in relation to Cash Settled Warrants, (i) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date, or (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date, in such case, subject to adjustment in accordance with the applicable Technical Annex, (iii) or, if different, the date specified as such in the applicable Final Terms; or
- (b) in relation to Physical Delivery Warrants, the date specified as such in the applicable Final Terms.

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"**Settlement Price**" means, in relation to each Cash Settled Warrant:

- (a) in respect of Equity Index Linked Warrants, subject to the Equity Index Linked Conditions, (i) in the case of Equity Index Linked Warrants relating to a basket of Indices, an amount, (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the product of (x) the Index Level in respect of each Index specified in the applicable Final Terms on the Valuation Date or Averaging Date, as the case may be, and (y) the relevant Multiplier, or (ii) in the case of Equity Index Linked Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the Index Level in respect of the Index specified in the applicable Final Terms;
- (b) in respect of Equity Linked Warrants, subject to the Equity Linked Conditions, (i) in the case of Equity Linked Warrants relating to a basket of Shares, an amount equal to the sum of the product of (x) the Settlement Price in respect of each Share specified in the applicable Final Terms on the Valuation Date or Averaging Date, as the case may be, and (y) the relevant Multiplier or (ii) in the case of Equity Linked Warrants relating to a single Share, the Settlement Price in respect of the Share specified in the applicable Final Terms;
- (c) in respect of Currency Linked Warrants, subject to the Currency Linked Conditions, (i) in the case of Currency Linked Warrants relating to a basket of reference rates, an amount equal to the sum of the product of (x) each Specified Rate specified in the applicable Final Terms on the Valuation Date or Averaging Date, as the case may be, and (y) the relevant Multiplier or (ii) in the case of Currency Linked Warrants relating to a single Specified Rate, the Specified Rate specified in the applicable Final Terms; and
- (d) in respect of any other Warrants, as specified in the applicable Final Terms.

"**Unit Nominal Amount**" is as specified in the applicable Final Terms.

5. EXERCISE PROCEDURE

5.1 Exercise Notice

Other than in the case of Automatic Exercise, Warrants may only be exercised by the delivery, (which may include the sending by fax), of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Warrant Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours) to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Warrant Agent in accordance with the provisions set out in Warrant Condition 4.1 (Exercise Period) and this Warrant Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
 - (i) specify the series number of Units and the corresponding amount of Warrants being exercised;
 - (ii) specify the number of the Warrantholder's securities account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the number of Units representing the Warrants being exercised;
 - (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's securities account with the number of Units representing the Warrants being exercised;
 - (iv) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the Cash Settlement Amount (if any) for the number of Units representing the Warrant being exercised;
 - (v) include an undertaking to pay all costs, taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other costs, taxes or duties which the Calculation Agent determines may be or would be, or would have been incurred (A) in connection with (I) the exercise of

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such Warrants and, (II) in the case of Physical Delivery Warrants, the delivery of the Entitlement relating to such Warrants and (B) by the Issuer or any Affiliate had such entity unwound or varied any underlying related hedging arrangements in respect of the Warrants ("**Exercise Expenses**") and an authority to Clearstream, Luxembourg or Euroclear to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

(vi) certify, inter alia, that the beneficial owner of each Warrant being exercised is not a US person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a US person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a US person in connection with any exercise thereof, and where appropriate, undertake to provide such various forms of certification in respect of restrictions under the securities, commodities, tax and other laws of the United States of America, as required by the Issuer or indicated and set out in the applicable Final Terms; and

(vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Warrant Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall specify the series number of the Warrants and the number of Warrants being exercised by the Warrantholder and be accompanied by a duly completed Asset Transfer Notice as provided in Warrant Condition 4.3(A)(1).

(c) If Warrant Condition 4.4 (*Issuer's Option to Vary Settlement*) applies, the form of Exercise Notice required to be delivered will be different from that described above. Copies of such Exercise Notice may be obtained from the Principal Warrant Agent during normal office hours.

5.2 Verification of the Warrantholder

Upon receipt of an Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the holder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Warrant Agent the series number and number Units representing the Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Unit being exercised. Upon receipt of such confirmation, the Principal Warrant Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants or Bermudan Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Common Depositary will, on the instructions of, and on behalf of, the Principal Warrant Agent, note such exercise on the Schedule to the Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

5.3 Settlement

(A) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant:

(i) to the Warrantholder's account specified in the relevant Exercise Notice, or

(ii) where no Exercise Notice is received, Automatic Exercise is specified as applying in the applicable Final Terms and Automatic Exercise has occurred in respect of the Warrants to the Warrantholder's account with Clearstream, Luxembourg or Euroclear, as applicable, in accordance with the rules of Clearstream, Luxembourg or Euroclear,

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in each case, for value on the Settlement Date less any Exercise Expenses.

(B) Physical Delivery Warrants.

Subject to payment of the aggregate Exercise Prices and compliance with the provisions of Warrant Condition 4.3(A) with respect to Physical Delivery Warrants, with regard to each of the relevant Warrants, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant pursuant to the details specified in the relevant Asset Transfer Notice. Subject as provided in Warrant Condition 4.3(A), the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

5.4 Determinations

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Warrant Agent, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Warrant Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in Warrant Condition 5.1 above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Warrant Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and the Principal Warrant Agent.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any Warrant with respect to which the Exercise Notice and, if applicable, the Asset Transfer Notice have not been duly completed and delivered in the manner set out above by the cut-off time specified in Warrant Conditions 4.1(A), 4.1(B) and 4.1(C), in respect of American Style Warrants, European Style Warrants and Bermudan Style Warrants respectively, shall become void.

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

5.5 Delivery of an Exercise Notice

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the number of Warrants specified therein. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

5.6 Automatic Exercise

If Automatic Exercise is specified as applying in the applicable Final Terms and if no Exercise Notice or Asset Transfer Notice, as applicable, is delivered in respect of the relevant Warrants, where the Warrants are, in the determination of the Calculation Agent, "In-The-Money", such Warrants shall be automatically exercised.

5.7 Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor and the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of

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the Issuer, the Guarantor and the Warrant Agents shall under any circumstances be liable for any acts or defaults of Clearstream, Luxembourg or Euroclear in relation to the performance of its duties in relation to the Warrants.

5.8 Minimum and Maximum Number of Warrants Exercisable

(A) American Style Warrants

This paragraph (A) applies only to American Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder and exercised by Automatic Exercise on the Expiration Date, in each case, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) European Style Warrants

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable by or on behalf of any Warrantholder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(C) Bermudan Style Warrants

This paragraph (C) applies only to Bermudan Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder and exercised by Automatic Exercise on the Expiration Date, in each case, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each

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of the succeeding Exercise Date until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

6. EARLY CANCELLATION

6.1 Cancellation for Illegality

In the event that the Calculation Agent determines that the performance of the obligations of the Issuer under the Warrants or the obligations of the Guarantor under the Guarantee, or any arrangements made to hedge the Issuer's obligations under the Warrants, has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the Warrantholders in accordance with Warrant Condition 11 (Notices) (which notice shall be irrevocable), on the expiry of such notice cancel all, but not some only, of the Warrants, each Warrant being cancelled at the Early Cancellation Amount.

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

6.2 Regulatory Cancellation Event

In the event that the Calculation Agent determines that a change in applicable law or regulation has occurred which results, or will result, solely by reason of the Warrants being outstanding, in the Issuer being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Issuer to be materially onerous to it, the Issuer having given not less than 10 nor more than 30 calendar days' notice to the Warrantholders in accordance with Warrant Condition 11 (Notices) (which notice shall be irrevocable) may, on the expiry of such notice cancel all, but not some only, of the Warrants, each Warrant being cancelled at the Early Cancellation Amount referred to in Warrant Condition 6.3 below. Payment shall be made in such manner as shall be notified to Warrantholders in accordance with Warrant Condition 11 (Notices).

6.3 Force Majeure or act of State

In the event that the Calculation Agent determines that by reason of a Force Majeure Event occurring after the Issue Date it becomes impossible or impracticable for the Issuer, the Guarantor or the Calculation Agent to perform in whole or in part its obligations under the Warrants and/or any related hedging arrangements, the Issuer may, having given not less than 10 nor more than 30 calendar days' notice to the Warrantholders in accordance with Warrant Condition 11 (Notices) (which notice shall be irrevocable), on the expiry of such notice cancel all, but not some only, of the Warrants, each Warrant being cancelled at the Early Cancellation Amount. Payment shall be made in such manner as shall be notified to Warrantholders in accordance with Warrant Condition 11 (Notices).

As used herein:

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes "**control**" means ownership of a majority of the voting power of an entity or person or, if the Calculation Agent determines appropriate, the power to direct or cause the direction of the management and policies of the First Entity, whether by contract, or otherwise.

"**Associated Costs**" means, in respect of a Warrant, an amount equal to such Warrant's *pro rata* share of the total amount of any and all costs or expenses associated or incurred by the Issuer, any Affiliate and/or Hedging Party (as applicable) in connection with such early cancellation, including, without limitation, any costs associated with unwinding the funding

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relating to the Warrants and any costs associated with unwinding any hedge positions relating to the Warrant, all as determined by the Calculation Agent in its discretion.

"Early Cancellation Amount" means, in respect of a Warrant, the fair market value of such Warrant plus any Exercise Price paid in respect of such Warrant, less any Associated Costs, as determined by the Calculation Agent in its discretion.

"Force Majeure Event" means an event or circumstance which prevents in whole or in part the performance by the Issuer, the Guarantor and/or the Calculation Agent of its obligations under the Warrants and/or related hedging arrangements including, without limitation a system failure, fire, natural or man-made disaster, act of God, act of State, armed conflict, act of terrorism, riot or labour disruption.

"Hedging Party" means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Warrants from time to time.

6.4 Early Cancellation at the Option of the Issuer

If Issuer Early Cancellation is specified in the applicable Final Terms, the Issuer may, subject to, and in accordance with, the terms specified in the applicable Final Terms, having given:

- (a) not less than 15 nor more than 30 calendar days' notice to the Warrantheolders in accordance with Warrant Condition 11 (Notices); and
- (b) not less than 15 calendar days before the giving of the notice referred to in (a) above, notice to the Principal Warrant Agent,

(which notices shall be irrevocable and shall specify the date fixed for cancellation), cancel all of the Warrants then outstanding on any Issuer Early Cancellation Date and at the Issuer Early Cancellation Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms.

6.5 Early cancellation for tax reasons

The Issuer may cancel all, but not some only, of the Warrants at any time, on giving not less than 10 nor more than 30 calendar days' notice to the Principal Warrant Agent and, in accordance with Warrant Condition 11 (Notices), the Warrantheolders (which notice shall be irrevocable), if:

- (a) in respect of any future payment by the Issuer which may arise in respect of the Warrants, the Issuer has or will become obliged to account for any tax, duty, withholding or other payment as provided or referred to in Warrant Condition 9 (Expenses and Taxation) (including, for the avoidance of doubt, any withholding tax imposed under FATCA ("**FATCA Withholding Tax**")) or the Guarantor, if making payment itself would be or would become obliged to account for any tax, duty, withholding or other payment as provided or referred to in Warrant Condition 9 (Expenses and Taxation) (including, for the avoidance of doubt, any FATCA Withholding Tax); and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it. Reasonable measures shall not include anything which has any material impact on the business of the Issuer or the Guarantor, as the case may be, or which would cause the Issuer or the Guarantor, as the case may be, to incur any material costs, and

provided that no such notice of cancellation shall be given earlier than 30 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to account for such tax, duty, withholding or other payment were a payment in respect of the Warrants then due.

Warrants cancelled pursuant to this Condition will be cancelled at their Early Cancellation Amount referred to in Warrant Condition 6.3 above. Payment shall be made in such manner as shall be notified to Warrantheolders in accordance with Warrant Condition 11 (Notices).

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7. EVENTS OF DEFAULT

7.1 If (a) any of the following events shall occur and be continuing and (b) holders of at least twenty-five per cent. (25%) (by number) of the Warrants then outstanding so request the Issuer by notice in relation to the same event given in accordance with Warrant Condition 11 (Notices), then upon the date of such notice requirement in (b) above being satisfied or, in the case of an event as described in (ii) above, on expiry of the relevant time period specified therein, the relevant event shall be treated as an "**Event of Default**" and unless (in the case of (i) or (ii) above) the relevant default(s) or failure(s) shall have been cured by the Issuer or the Guarantor prior to receipt of such written notice, all but not some only of the Warrants shall be cancelled at an amount in respect of each Warrant equal to the fair market value of a Warrant, calculated without regard to the creditworthiness of the Issuer or the Guarantor at such time, less any Associated Costs all as determined by the Calculation Agent in its discretion. For the purposes of (a) above, the relevant events are:

- (i) default is made for a period of 30 days or more in the payment of any cash settlement or delivery of any Entitlement due in respect of the Warrants or any of them. The Issuer and Guarantor shall not, however, be in default if such sums were not paid or such Entitlement was not delivered in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer or, as the case may be, the Guarantor will not be in default if it acts on the advice given to it during such 30 day period by an independent legal adviser; or
- (ii) the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Warrants, the Guarantee or the Warrant Agreement (as the case may be) and such failure continues for the period of 60 days next following the notice requirement as described in (b) above being satisfied; or
- (iii) an effective resolution is passed or an order is made for the winding-up or dissolution of the Issuer or the Guarantor (except for the purposes of a reconstruction or amalgamation where the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations of, as the case may be, the Issuer (including its obligations under the Warrants) or the Guarantor (including its obligations under the Guarantee)).

7.2 Any default by the Issuer or the Guarantor, other than the events described in Warrant Condition 7.1(i), may be waived by the written consent of holders of a majority (by number) of the Warrants then outstanding affected thereby, or by resolution adopted by a majority (by number) of such Warrants then outstanding present or represented at a meeting of holders of the Warrants affected thereby at which a quorum is present, as provided in the Warrant Agreement.

8. PURCHASES

The Issuer, the Guarantor or any of their respective Affiliates (as defined above) may, but is not obliged to, at any time purchase Warrants at any price in the open market or otherwise, in accordance with applicable laws and regulations. Such Warrants may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered for cancellation.

9. EXPENSES, TAXATION AND PROVISION OF INFORMATION

9.1 A holder of Warrants must pay all Exercise Expenses relating to such Warrants as provided above.

9.2 Neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrant and/or, if applicable, the delivery or transfer of the Entitlement relating to such Warrant, and all payments made by the Issuer or Guarantor shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

9.3 Notwithstanding any other provision in the Conditions, the Issuer or, as the case may be, the Guarantor or the relevant Paying Agent shall be permitted to withhold or deduct any amounts required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**").

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10. AGENTS

10.1 Warrant Agents

Each of the Issuer and the Guarantor reserves the right to vary or terminate the appointment of any Warrant Agent and/or approve any change in the specified office through which any Warrant Agent acts and/or appoint additional or other Warrant Agents, provided that:

- (A) there will at all times be a Principal Warrant Agent; and
- (B) so long as the Warrants are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Warrant Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority.

Any variation, termination, appointment or change in relation to any Series of Warrants 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 Warrantholders of the relevant Series of Warrants in accordance with Warrant Condition 11 (Notices).

In acting under the Warrant Agreement, the Agents act solely as agents of the Issuer and the Guarantor, and do not assume any obligation to, or relationship of agency or trust with, any Warrantholders. The Warrant 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.

10.2 Calculation Agent

In relation to each issue of Warrants, the Calculation Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Warrantholders. All calculations and determinations made in respect of the Warrants by the Calculation Agent under the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and the Warrantholders.

In exercising its discretion under the Conditions, the Calculation Agent shall act in good faith and in a commercially reasonable manner. The exercise of the Calculation Agent's discretion under the Conditions are necessary because certain circumstances or events (e.g. a material modification or disruption to the underlying asset or reference basis to which the Warrants are linked) may occur subsequent to the issuance of the Warrants or the time at which hedging arrangements are made which may materially affect the costs to the Issuer and/or a Hedging Party of maintaining the relevant Warrants or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Warrants. In addition, as a result of certain circumstances or events (e.g. price unavailability or material disruption to any reference source) it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the underlying asset or otherwise reference basis to be made in connection with the Warrants, and thus making it necessary for the Calculation Agent to exercise its discretion in such a case.

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

10.3 Determinations by the Issuer or the Guarantor

The Issuer's ability to perform its obligations under the Warrants may be hedged by the Issuer entering into certain hedging arrangements with a Hedging Party. In relation to the discretion of the Issuer in respect of the method of settlement under the Conditions, the exercise of any such discretion is necessary to enable the Issuer to settle the Warrants taking into account its hedging arrangements. Certain events (e.g. failure by the Hedging Party to deliver the relevant underlying assets) beyond the control of the Issuer may occur and such events may materially increase the costs of the Issuer to perform its obligations under the Warrants and consequently require modifications or other actions under the Warrants.

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In exercising its discretion under the Conditions, the Issuer or the Guarantor, as the case may be, shall act in good faith and in a commercially reasonable manner. The exercise of the Issuer's or the Guarantor's discretion under the Conditions is necessary because certain circumstances or events (e.g. material modification or disruption to the underlying asset or reference basis to which the Warrants are linked) may occur subsequent to the issuance of the Warrants or the time at which hedging arrangements are made which may materially affect the costs to the Issuer and/or a Hedging Party of maintaining the relevant Warrants or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Warrants. In addition, as a result of certain circumstances or events (e.g. price unavailability or material disruption to any reference source), it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of the underlying asset or otherwise reference basis to be made in connection with the Warrants, and thus making it necessary for the Issuer or the Guarantor to exercise its discretion in such a case.

Any determination made by the Issuer or the Guarantor pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the Guarantor and the Warrantholders.

11. NOTICES

All notices regarding the Warrants will be deemed to be validly given if published in one leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or any other relevant authority on which the Warrants are for the time being listed or by which they have been admitted to listing. 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, notice will be given in such other manner as the Issuer deems appropriate. Any such notice will be deemed to have been given on the date of such notice.

Notice may be given (and so long as the rules of any stock exchange on which the Warrants are listed, or the rules of any other relevant authority by which the Warrants have been admitted to listing, permit) by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (instead of by way of publication or mailing) for communication by them to the holders of the Warrants provided that, in addition, for so long as any Warrants are listed on a stock exchange or admitted to listing by any other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in the manner required by the rules of that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Warrants on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.

Notices to be given by any Warrantholder shall be given to the Principal Warrant Agent through Clearstream, Luxembourg or Euroclear, as the case may be, in writing or by facsimile or electronically or in such other manner as the Principal Warrant Agent, Clearstream, Luxembourg, and/or Euroclear, as the case may be, may approve for this purpose.

12. SUBSTITUTION

12.1 Substitution of Issuer

The Issuer (or any previously substituted company as issuer from time to time) shall, without the consent of the Warrantholders, be entitled at any time to substitute for the Issuer any other company (the "**Substitute Issuer**") as principal obligor in respect of all obligations arising from or in connection with the Warrants provided that (i) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Warrants represent valid, legally binding and enforceable obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute Issuer shall have assumed all obligations arising from or in connection with the Warrants and shall have become a party to the Warrant Agreement, with any consequential amendments, as if it had been an original party to it; (iii) the obligations of the Substitute Issuer in respect of the Warrants shall be unconditionally and irrevocably guaranteed by the Guarantor; (iv) each stock exchange or listing authority on which the Warrants are listed shall have confirmed that following the proposed substitution of the Substitute Issuer, the Warrants would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 14 calendar days' prior notice of the date of such substitution to the Warrantholders in accordance with Warrant Condition 11 (Notices).

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12.2 Substitution of Guarantor

The Guarantor (or any previously substituted company as guarantor from time to time) shall, without the consent of the Warrantholders, be entitled at any time to substitute for the then Guarantor (the "**Current Guarantor**") any other company (the "**Substitute Guarantor**") as guarantor in respect of all obligations of the Issuer in respect of the Warrants provided that (i) the creditworthiness of the Substitute Guarantor at such time is at least equal to the creditworthiness of Santander UK plc (or if different, of the Current Guarantor), as determined in good faith by the Guarantor by reference to, *inter alia*, the long term senior debt ratings (if any) assigned by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and/or Moody's Investors Service Limited and/or Fitch Ratings Limited, or any successor rating agent or agencies thereto, to the Substitute Guarantor, (ii) the Substitute Guarantor having entered into a guarantee (the "**Substitute Guarantee**") in respect of the Warrants in substantially the same form as the Guarantee and such other documents (if any) as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substitute Guarantor shall undertake in favour of each Warrantholder to be bound by these Warrant Conditions and the provisions of the Warrant Agreement as fully as if the Substitute Guarantor had been named in these Warrant Conditions, the Documents and the Warrant Agreement as the guarantor in respect of the Warrants in place of Santander UK plc (or if different, of the Current Guarantor); (iii) the Substitute Guarantee and the Documents having been delivered to the Principal Warrant Agent; (iv) each stock exchange or listing authority on which the Warrants are listed shall have confirmed that following the proposed substitution of the Substitute Guarantor, the Warrants would continue to be listed on such stock exchange; and (v) the Guarantor shall have given at least 14 calendar days' prior notice of the date of such substitution to the Warrantholders in accordance with Warrant Condition 11 (Notices).

12.3 Substitution of Branch

The Issuer shall have the right upon notice to the Warrantholders in accordance with Warrant Condition 11 (Notices) to change the branch or office through which it is acting for the purpose of the Warrants, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

13. MEETINGS OF WARRANTHOLDERS AND MODIFICATIONS

The Warrant Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agreement) of a modification of the Warrants or any of the provisions of the Warrant Agreement. Such a meeting may be convened by the Issuer or the Guarantor at any time and shall be convened by the Issuer at the request of Warrantholders holding not less than five per cent. (5%) (by number) of the Warrants for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in the aggregate not less than fifty per cent. (50%) (by number) of the Warrants for the time being remaining unexercised, or at any adjourned such meeting one or more persons being or representing Warrantholders whatever the number of the Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Warrants, the quorum shall be one or more persons holding or representing in the aggregate not less than two-thirds, or at any adjourned such meeting one or more persons holding or representing in the aggregate not less than one-third (by number) of the Warrants for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting.

The Principal Warrant Agent and the Issuer may agree, without the consent or sanction of the Warrantholders to:

- (A) any modification of (except as mentioned above) the provisions of the Warrants or the Warrant Agreement which is not prejudicial to the interests of the Warrantholders; or
- (B) any modification of any of the provisions of these Conditions, the Warrants or the Warrant Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or is to comply with mandatory provisions of applicable law.

Any such modification shall be binding on the Warrantholders and any such modification shall be notified to the Warrantholders in accordance with Warrant Condition 11 (Notices) as soon as practicable thereafter.

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14. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Warrantholders to create and issue further Warrants having terms and conditions the same as the Warrants or the same in all respects save for the issue price and date of issue thereof and so as to be consolidated and form a single Series with the outstanding Warrants.

15. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Warrantholders, on giving notice to the Warrantholders in accordance with Warrant Condition 11 (Notices):

- (A) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be redenominated in euro;

The election will have effect as follows:

- (a) where the Settlement Currency of the Warrants is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in euro as though references in the Warrants to the Settlement Currency were to euro;
- (b) where the Exchange Rate and/or any other terms of these Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
- (c) such other changes shall be made to the Conditions (including the Exchange Rate) as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or
- (B) require that the Calculation Agent make such adjustments to the weighting and/or the Settlement Price and/or the Exercise Price and/or any other terms of the Conditions and/or the Final Terms as the Calculation Agent, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the weighting and/or the Settlement Price and/or the Exercise Price and/or such other terms of the Conditions.

Notwithstanding the foregoing, none of the Issuer, the Guarantor, if any, the Calculation Agent and the Warrant Agents shall be liable to any Warrantholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

In this Warrant Condition, the following expressions have the following meanings:

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

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union pursuant to Article 140(3) of the Treaty;

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"**euro**" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

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

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

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Warrants by virtue of the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any reason which exists or is available apart from that Act.

17. SEVERABILITY

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

18. GOVERNING LAW

The Warrant Agreement, the Guarantee, the Warrants and any non-contractual obligations arising out of or in connection with the Warrant Agreement, the Guarantee, the Warrants are governed by, and shall be construed in accordance with, English law.

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Warrants (including any disputes relating to any non-contractual obligations arising out of or in connection with the Warrants).

The Issuer and, where applicable, the Guarantor, have in the Warrant Agreement and the Guarantee agreed to the jurisdiction of the English courts.

Currency Technical Annex

CURRENCY TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY LINKED SECURITIES

*The terms and conditions applicable to Currency Linked Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "**N&C Security Conditions**") and the additional Terms and Conditions set out below (the "**Currency Linked Conditions**") or (b) the General Terms and Conditions of the Warrants (the "**Warrant Conditions**") and the Currency Linked Conditions, in each case, together with any Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with (i) in the case of N&C Securities, the N&C Security Conditions and the Currency Linked Conditions or (ii) in the case of Warrants, the Warrant Conditions and the Currency Linked Conditions, as the case may be, the "**Conditions**") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or the Warrant Conditions (as the case may be) and the Currency Linked Conditions, the Currency Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or the Warrant Conditions (as the case may be) and/or the Currency Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Currency Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "Warrant" and "Warrants" as the context admits and references to "Securityholders" shall be deemed to be references to "N&C Securityholder" or "Warrantholder" as the context admits.*

*The terms and conditions applicable to Securities for which "Currency Adjustment Only" is specified as "Applicable" in the applicable Final Terms, shall comprise the N&C Security Conditions or Warrant Conditions, as applicable, additional Currency Linked Condition 3 below and the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with the N&C Security Conditions or Warrant Conditions, as applicable, and Currency Linked Condition 3, the "**Conditions**"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or Warrant Conditions, as applicable, and Currency Linked Condition 3 below, Currency Linked Condition 3 below shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or Warrant Conditions, as applicable, and/or Currency Linked Condition 3 and (ii) the Final Terms, the Final Terms shall prevail.*

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered Currency Linked Condition are to such numbered section as set out in this Technical Annex. Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date or Averaging Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Currency Linked Securities notwithstanding the same terms being used in another Technical Annex.

1. CURRENCY LINKED SECURITIES

Currency Linked Condition 1(a) and (b) below will only apply to N&C Securities.

(a) Currency Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to this Currency Technical Annex, each Currency Linked Interest N&C Security will bear interest in the manner specified in, or determined as specified in the applicable Final Terms and the N&C Security Conditions.

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(b) **Currency Linked Redemption N&C Securities**

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to this Currency Technical Annex, each N&C Security will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Maturity Date.

2. EXTENSION OF TERMINATION DATE OF SECURITIES

(a) **Maturity Date Extension for N&C Securities**

If Maturity Date Extension is specified as applying in the applicable Final Terms then, in relation to the Maturity Date, part (b) of the definition of Specified Maximum Days of Disruption or Specified NDF Maximum Days of Disruption (as applicable) will not apply and if the last occurring Valuation Date or last occurring Averaging Date has not occurred on or prior to the second (2nd) FX Business Day preceding the scheduled Maturity Date, the Maturity Date shall be postponed and shall occur on the third (3rd) FX Business Day following (i) the last occurring Valuation Date or (ii) the last occurring Averaging Date as applicable.

(b) **Settlement Date Extension for Warrants**

If Settlement Date Extension is specified as applying in the applicable Final Terms then, in relation to the Settlement Date, part (b) of the definition of Specified Maximum Days of Disruption or Specified NDF Maximum Days of Disruption (as applicable), will not apply and if the last occurring Valuation Date or last occurring Averaging Date has not occurred on or prior to the second (2nd) FX Business Day preceding the scheduled Settlement Date, the Settlement Date shall be postponed and shall occur on the third (3rd) FX Business Day following (i) the last occurring Valuation Date or (ii) the last occurring Averaging Date as applicable.

3. CURRENCY ADJUSTMENT

If Currency Adjustment Only is specified as Applicable in the applicable Final Terms, in the event that the currency in which a Relevant Asset is denominated, quoted or traded or with which it is most closely associated as determined by the Calculation Agent (the "**Relevant Asset Currency**") is not the same as the Specified Currency or the Settlement Currency, as applicable, of the Securities, then following any Currency Event the Issuer may take the action described in (A) and/or (B) below as it deems appropriate:

- (A) require the Calculation Agent to determine an exchange rate (or alternative method for determining the exchange rate) for conversion of that Relevant Asset Currency into the Specified Currency or Settlement Currency, as applicable, taking into consideration all available information that in good faith it deems relevant and/or make such other adjustments to the Conditions as it determines appropriate to account for the Currency Event; and/or
- (B) postpone the date of any relevant valuation, observation and/or payment in respect of the Securities for so long as, in the opinion of the Calculation Agent, any Currency Event continues to occur or exist.

For these purposes:

"**Currency Event**" means:

- (a) the occurrence of any event that:
 - (i) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from converting any Relevant Asset Currency into the Specified Currency or the Settlement Currency, as applicable, (i) through customary legal channels or (ii) at a rate that is at least as favourable as the rate for domestic institutions located in any Relevant Jurisdiction (as defined below);

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- (ii) generally prevents or delays the Issuer or any of its Affiliates directly or indirectly from delivering the Specified Currency or the Settlement Currency, as applicable, and/or the Relevant Asset Currency from accounts inside the Relevant Jurisdiction to accounts outside such Relevant Jurisdiction; or
 - (iii) renders the Issuer or any of its Affiliates unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the currency or foreign exchange risk incurred by the Issuer or any of its Affiliates in respect of any Relevant Asset Currency for purposes of hedging the Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s); or
- (b) the government or other relevant authority or entity with jurisdiction in a Relevant Jurisdiction gives public notice of its intention to impose any capital controls which the Calculation Agent determines are likely (i) to have a material effect on the ability of any of the Issuer or any of its Affiliates to hedge foreign exchange risk in respect of the Securities and a Relevant Asset Currency or unwind any such hedging transaction or (ii) to reduce the value of any such hedging transaction; and

Relevant Assets means any equity security, index, fund, reference entity and/or obligation, inflation index, commodity, commodity index, property index or other relevant asset or reference basis to which the Securities are linked (in whole or in part).

In the event that a Relevant Asset Currency in respect of a Relevant Asset ceases to be the currency most closely associated with such Relevant Asset (in the determination of the Calculation Agent), the Issuer may determine the appropriate adjustment(s), if any, to be made to any one or more of the Conditions to account for such circumstance and determine the effective date of such adjustment(s). Details of any such adjustment(s) shall be notified to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, provided that any failure by the Issuer to provide such notice shall not affect the validity of any such adjustment(s).

As used in this Currency Linked Condition 3, **Relevant Jurisdiction** means any jurisdiction in which a Relevant Asset Currency is the lawful currency or with which it otherwise has a relevant connection selected by the Calculation Agent from time to time.

4. DISRUPTED DAY

If, in the determination of the Calculation Agent, as of any Valuation Date or Averaging Date a Disrupted Day occurs in respect of any Specified Rate, the relevant Specified Rate in relation to such Valuation Date or Averaging Date shall be determined as provided in the definition of Valuation Date or Averaging Date, as applicable.

5. ADDITIONAL DISRUPTION EVENTS AND CURRENCY DISRUPTION EVENTS

If, in the determination of the Calculation Agent, on or prior to any Valuation Date or Averaging Date an Additional Disruption Event or Currency Disruption Event occurs, the Calculation Agent may:

- (a) determine in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) the appropriate adjustment, if any, to be made to any provision of the Conditions and/or the applicable Final Terms including, without limitation any amount payable by the Issuer (including amounts payable in relation of N&C Securities pursuant to Currency Linked Conditions 1(a) and (b), as applicable), and/or any other terms of the Conditions and/or the applicable Final Terms to account for such Additional Disruption Event or Currency Disruption Event, and determine the effective date of that adjustment; or
- (b) give notice to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrants Condition 11 (Notices), as the case may be, and redeem all, but not some only, of the Securities, at the Early Redemption Amount or Early Cancellation Amount, as applicable, and payment will be made in such manner as shall be notified to Securityholders; or

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- (c) give notice to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrants Condition 11 (Notices), as the case may be, and designate the Securities as "**Suspended Securities**", giving notice of the effective date thereof (the "**Suspension Date**"). The Issuer shall have no obligation to make any payment or perform any other obligation in respect of the Securities while the Securities are Suspended Securities and, subject as provided below, any such payment or other performance shall be postponed to no later than the tenth (10th) Business Day following the Cessation Date (as defined below). No payment or compensation shall be due to Securityholders as a result of any such delay (including, in the case of N&C Securities, any additional interest). In the case of Warrants, no Exercise Notice shall be delivered and no Automatic Exercise may occur during the period from and including the Suspension Date to and including the Cessation Date (the "**Suspension Period**"). Any Exercise Notice delivered during the Suspension Period shall be void. The Securities shall remain Suspended Securities until the relevant Additional Disruption Event or Currency Disruption Event ceases to exist and the Issuer notifies the cessation of such Additional Disruption Event or Currency Disruption Event to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrants Condition 11 (Notices), as the case may be, (the effective date of such notification the "**Cessation Date**") provided that if in the determination of the Calculation Agent the relevant Additional Disruption Event or Currency Disruption Event continues to exist on the second (2nd) anniversary of the Suspension Date (the "**Suspension Cut-Off Date**"), the Suspended Securities shall expire worthless and shall be cancelled by the Issuer in which case all obligations of the Issuer to the Securityholders in respect of the Securities shall be deemed discharged and the Securityholders shall have no further recourse to the Issuer in respect of the Securities.

Without prejudice to the foregoing, following any Cessation Date the Issuer may require the Calculation Agent to determine in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner), any adjustment to any amount payable pursuant to the terms of these Currency Linked Conditions (including, in the case of N&C Securities, any amount payable pursuant to Currency Linked Conditions 1(a) and 1(b)) and/or the applicable Final Terms as necessary or appropriate in order to determine any such amounts or other obligations due or to be performed in respect of the Securities, taking into account, without limitation, the occurrence of the relevant Additional Disruption Event or Currency Disruption Event and the effect of any delay pursuant to this paragraph.

In the case of Physical Delivery N&C Securities, if delivery of any assets is made later than the originally scheduled due date for delivery as a result of the occurrence of a Additional Disruption Event or Currency Disruption Event, until delivery is made to the Securityholders, none of the Issuer, the Guarantor, the Calculation Agent, any Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to the Securityholders or any subsequent transferee any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of such assets, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such assets or (iii) be under any liability to the Securityholders or any subsequent transferee in respect of any loss or damage which the Securityholders or subsequent transferees may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such assets until the date of delivery.

6. DEFINITIONS

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Force Majeure Event, Special Taxation Event, FX Price Source Correction and/or any other Additional Disruption Event specified in the applicable Final Terms.

"**Averaging Date**" means, in relation to any Specified Rate, each date specified as such in relation to such Specified Rate in the applicable Final Terms, or, if any such date is not an FX Business Day, the relevant Averaging Date shall (i) in the case of a Specified Rate which is determined by reference to an NDF Currency, be the immediately preceding FX Business Day, *provided however*, that, in the event of the originally scheduled Averaging Date being an Unscheduled Holiday, the Averaging Date shall be the immediately succeeding FX Business Day and (ii) in the case of a Specified Rate which is not determined by reference to an NDF Currency, be the immediately succeeding FX Business Day unless, in each case, in the opinion of the Calculation Agent, such relevant Averaging Date is a Disrupted Day in relation to any Specified Rate. If such relevant Averaging Date is a Disrupted Day, then in relation to each Specified Rate not affected by such Disrupted Day the Averaging Date shall be the Scheduled Averaging Date and in relation to each Specified Rate affected by such Disrupted Day:

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- (a) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Specified Rate provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "**Valuation Date**" will apply for purposes of determining the relevant Specified Rate on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant Specified Rate 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; or
- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms in the case of a Specified Rate then the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for (i) a number of consecutive FX Business Days equal to the Specified Maximum Days of Disruption (in the case of a Specified Rate not determined by reference to an NDF Currency) or (ii) a number of consecutive calendar days equal to the Specified NDF Maximum Days of Disruption (in the case of a Specified Rate determined by reference to an NDF Currency) immediately following the Scheduled Averaging Date, then the first FX Business Day immediately following that last consecutive FX Business Day or calendar day, as applicable, shall be deemed to be the Averaging Date (irrespective of whether that FX Business Day is already an Averaging Date) and the Calculation Agent shall determine the relevant rate for that Averaging Date in accordance with the definition of "Calculation Agent Determination" below on such day as though such day was a Valuation Date; or
- (d) if a Disruption Fallback (other than Valuation Postponement) is specified in the applicable Final Terms in the case of the Specified Rate, then the Averaging Date will be the Scheduled Averaging Date and the Calculation Agent will determine the Specified Rate in accordance with the provisions of "Disruption Fallback" as though such date was a Valuation Date.

For the purposes of these Currency Linked Conditions, "**Valid Date**" means an any FX Business Day (in the case of a Specified Rate not determined by reference to an NDF Currency) or any calendar day (in the case of a Specified Rate determined by reference to an NDF Currency) which in each case is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Base Currency**" shall mean each currency specified as such in the applicable Final Terms.

"**Bloomberg Screen**" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, in all cases for the purpose of displaying comparable rates in succession thereto).

"**Calculation Agent Determination**" means, in respect of the Specified Rate and any Valuation Date or Averaging Date, that the Specified Rate for such Valuation Date or Averaging Date (or a method for determining the Specified Rate) will be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant.

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or interpretation of any rule, law, regulation or statute by any court, tribunal or regulatory authority with competent jurisdiction) or the issuance of any order or decree, or any action taken by a taxing authority, the Issuer determines in its sole and absolute discretion that it has become illegal or not reasonably practicable for any Hedging Party to hold, acquire or dispose of relevant hedge positions relating to any Reference Currency, the Base Currency or other relevant currency(ies) in relation to the Securities.

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"**Currency Disruption Event**" means any of:

- (a) "**General Inconvertibility**", being the occurrence of any event that, from a legal or practical perspective, generally makes it impossible or not reasonably practicable to (i) convert the Local Currency into the Base Currency or (ii) to convert the relevant Reference Currency for the purpose of determining the Specified Rate, in any relevant jurisdiction through customary legal channels;
- (b) "**Specific Inconvertibility**", being the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to convert the whole, or part thereof, (i) of any relevant amount in the Local Currency into the Base Currency or (ii) of any relevant Reference Currency for the purpose of determining the Specified Rate, in any relevant jurisdiction, (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of either (i) the Local Currency into the Base Currency or (ii) any relevant Reference Currency for the purpose of determining the Specified Rate) other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);
- (c) "**General Non-Transferability**", being the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) the Base Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (b) the Local Currency between accounts inside the relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction;
- (d) "**Specific Non-Transferability**", being the occurrence of any event that, from a legal or practical perspective, has the direct or indirect effect of hindering, limiting, restricting, making it impossible or not reasonably practicable for any Hedging Party to deliver (a) the Local Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction or (b) the Local Currency between accounts inside any relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Local Currency into the Specified Currency), other than where such impossibility or impracticality is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);
- (e) "**Nationalisation**", being any expropriation, confiscation, requisition, nationalisation or other action is taken by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any relevant jurisdiction; and/or
- (f) "**Dual Exchange Rate**", being the occurrence of an event that splits any rate referred to in the definition of any applicable Specified Rate into dual or multiple currency exchange rates.

"**Currency Reference Dealers**" shall mean at any relevant time up to five dealers in the currency and foreign exchange markets, as selected by the Calculation Agent at such time, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"**Currency Reference Dealer Quotation**" shall mean, in relation to any FX Business Day and a relevant Specified Rate, a rate determined on the basis of five currency or foreign exchange rate quotations requested by the Calculation Agent at or about the Valuation Time on such FX Business Day from five Currency Reference Dealers expressed on the same basis as such Specified Rate in accordance with the following:

- (a) After disregarding the highest and lowest quotation provided by the Currency Reference Dealers (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded and if two or more such quotations are the lowest quotations then only one of such lowest quotations

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shall be disregarded), the applicable Currency Reference Dealer Quotation shall be determined by the Calculation Agent as the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining three such quotations for such rate; or

- (b) If only four such quotations are provided as requested, (after disregarding the highest and lowest such quotations in the manner described above), the applicable Currency Reference Dealer Quotation shall be the arithmetic mean of the remaining two quotations for such rate (rounded as described above) as determined by the Calculation Agent; or
- (c) If only three or two quotations are provided as requested, the applicable Currency Reference Dealer Quotation shall be the arithmetic mean of such quotations (rounded as described above) as determined by the Calculation Agent; or
- (d) If only one or no such quotation is provided as requested, no applicable Currency Reference Dealer Quotation shall be determined.

"Disrupted Day" means:

- (a) any day on which an FX Market Disruption Event exists or has occurred; or
- (b) any relevant day on which an Unscheduled Holiday occurs.

"Disruption Fallback" means, in respect of a Specified Rate, Calculation Agent Determination, Currency Reference Dealer Quotation, Fallback Reference Price, Valuation Postponement and/or such other source(s) or method(s) specified as such or otherwise determined as an alternative basis for determining such Specified Rate as may be provided in the relevant Final Terms. The applicable Disruption Fallback in respect of the Specified Rate shall be as specified in the applicable Final Terms, and if two or more Disruption Fallbacks are specified, unless otherwise provided in the applicable Final Terms, such Disruption Fallbacks shall apply in the order in which they are specified, such that if the Calculation Agent determines that the Specified Rate cannot be determined by applying one Disruption Fallback, then the next Disruption Fallback specified shall apply.

"Fallback Reference Price" means, in respect of any Valuation Date or Averaging Date, that the Calculation Agent will determine the Specified Rate in relation to such Valuation Date or Averaging Date expressed on the same basis as the Specified Rate, published by such available recognised financial information source(s) (as selected by the Calculation Agent) other than the applicable FX Price Source and in respect of a time at or around the applicable Valuation Time on such relevant day.

"Final Valuation Date" means the date specified as the Final Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining any Maturity Date Extension (in the case of N&C Securities) or Settlement Date Extension (in the case of Warrants) pursuant to Currency Linked Condition 2 and/or the consequences of any such day not being a FX Business Day, a Disrupted Day or an Unscheduled Holiday occurring on any such day in accordance with these Currency Linked Conditions.

"Force Majeure Event" means the occurrence, as determined in the sole and absolute discretion of (or, in the case of Italian Securities, in good faith and in a reasonable manner by) the Calculation Agent, of an event resulting in the Calculation Agent being unable to make any determination under the Securities, including being unable to determine any amount, rate, level or other variable necessary to determine any payment due under the Securities as a result of market conditions, including, but not limited to, acts of God, riots, civil commotion, insurrections, wars, actions of foreign or local governmental agencies, breakdowns in telecommunications or other electronic communication, blockades, boycotts, strikes, lockouts, industrial actions of whatever nature, bomb threats or terrorist actions or any other causes beyond its control.

"FX Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) or, but for an FX Market

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Disruption Event, would have settled payments and been open in such manner in each of the Principal Financial Centres specified in the applicable Final Terms.

"FX Market Disruption Event" means any FX Price Source Disruption and/or FX Trading Suspension or Limitation and/or any other event specified as such in the applicable Final Terms.

"FX Price Source" shall mean the information source(s) specified as such for the relevant Specified Rate in the applicable Final Terms.

"FX Price Source Correction" means (a) a relevant Specified Rate published on the FX Price Source which is used or will be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and published by the FX Price Source (whether or not such correction is to reflect information published or announced by any governmental authority in a relevant country) and (b) such corrected Specified Rate is material to the hedging arrangements of the Issuer or any of its Affiliates in respect to the Securities and such Specified Rate. For the avoidance of doubt (i) any adjustment to the Conditions to reflect the FX Price Source Correction may but is not required to involve the Calculation Agent electing to use the corrected Specified Rate for the relevant determination under the Securities and (ii) an FX Price Source Correction may apply on more than one occasion in relation to the same Specified Rate if more than one correction occurs.

"FX Price Source Disruption" means it becomes impossible or not reasonably practicable to obtain or determine a relevant Specified Rate by reference to a relevant FX Price Source.

"FX Trading Suspension or Limitation" means the suspension of and/or limitation of trading in any relevant market for the determination of a Specified Rate (which may be, without limitation, any over-the-counter or quotation-based market, whether regulated or unregulated) if, in any such case, such suspension or limitation is, in the determination of the Calculation Agent, material.

"Governmental Authority" means (i) any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or (ii) any other entity (private or public) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction.

"Hedging Disruption" means that any Hedging Party 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 price risk, including but not limited to the currency risk, of the Issuer issuing and performing its obligations with respect to the Securities, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"Hedging Party" means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Securities from time to time.

"Increased Cost of Hedging" means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Initial Valuation Date" means the date specified as an Initial Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining any Maturity Date Extension (in the case of N&C Securities) or Settlement Date Extension (in the case of Warrants) pursuant to Currency Linked Condition 2 and/or the consequences of any such day not being a FX Business Day, a Disrupted Day or an Unscheduled Holiday occurring on any such day in accordance with these Currency Linked Conditions.

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"Local Currency" means, in relation to General Inconvertibility, Specific Inconvertibility, General Non-Transferability, Specific Non-Transferability or Special Taxation Event, the currency specified as such in relation to such event in the applicable Final Terms and any successor currency as determined by the Calculation Agent.

"NDF Currency" shall mean each relevant currency specified as such in the applicable Final Terms.

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms.

"Principal Financial Centre" means the relevant financial centre(s) specified as such in the applicable Final Terms.

"Reference Currency" shall mean each relevant currency specified as such in the applicable Final Terms.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Reuters Money Market Rate Services or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

"Scheduled Averaging Date" means any original date that, but for the occurrence of an event causing a Disrupted Day (but taking into account for these purposes any Unscheduled Holiday adjustment pursuant to the initial section (i) of the definition of Averaging Date), would have been an Averaging Date.

"Scheduled Observation Date" means the date specified as a Scheduled Observation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining any Maturity Date Extension (in the case of N&C Securities) or Settlement Date Extension (in the case of Warrants) pursuant to Currency Linked Condition 2 and/or the consequences of any such day not being a FX Business Day being a Disrupted Day or an Unscheduled Holiday occurring on any such day in accordance with these Currency Linked Conditions.

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day (but taking into account for these purposes any Unscheduled Holiday adjustment pursuant to the initial section (i) of the definition of Valuation Date), would have been a Valuation Date.

"Screen Page" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"Special Taxation Event" means the occurrence, in the sole and absolute determination of (or, in the case of Italian Securities, in good faith and in a reasonable manner by) the Calculation Agent of one or more of the following:

- (a) (i) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by any Governmental Authority, (ii) the issuance of any order or decree by any Governmental Authority, (iii) any action being taken by a taxing authority in a relevant jurisdiction, or (iv) the occurrence of any other act or event at any time relating to withholding or deduction for or on account of tax in relation to any Reference Currency specified in the applicable Final Terms, which (in the case of (i), (ii), (iii) or (iv) above) will (or there is a substantial likelihood that it will) adversely affect the economic value of the Securities;
- (b) the imposition of taxes on the transfer of any Local Currency or Reference Currency or any other currency out of any relevant jurisdiction; or
- (c) the imposition of any taxes on any conversion of any Local Currency into another currency.

"Specified Maximum Days of Disruption" means (a) either (i) eight (8) FX Business Days or (ii) such other number of FX Business Days specified as such in the applicable Final Terms or (b) if shorter, such number of FX Business Days in the period from (but excluding) the Scheduled Valuation Date or Scheduled Averaging Date, as applicable, to (but

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excluding) the second (2nd) FX Business Day prior to any due date for any payment under the Securities for which valuation on the relevant Valuation Date or Averaging Date is relevant, all as determined by the Calculation Agent.

"Specified NDF Maximum Days of Disruption" means (a) the maximum number of calendar days of postponement of the Scheduled Valuation Date or Scheduled Averaging Date, as applicable specified as such in the applicable Final Terms or (b), if shorter, such number of calendar days from (but excluding) the Scheduled Valuation Date or Scheduled Averaging Date, as applicable, to (but excluding) the second (2nd) FX Business Day prior to any due date for any payment under the Securities for which valuation on the relevant Valuation Date or Averaging Date is relevant, all as determined by the Calculation Agent.

"Specified Rate" means, in relation to any Valuation Date or Averaging Date, each relevant currency or foreign exchange rate in relation to such Valuation Date or Averaging Date, as specified in the applicable Final Terms.

"Unscheduled Holiday" shall have the meaning specified in the applicable Final Terms;

"Valuation Date" means, in relation to any Specified Rate, each date specified as such in relation to such Specified Rate in the applicable Final Terms, or, if any such Valuation Date is not an FX Business Day, the relevant Valuation Date shall (i) in the case of a Specified Rate which is determined by reference to an NDF Currency, be the immediately preceding FX Business Day, *provided however*, that, in the event of the originally scheduled Valuation Date being an Unscheduled Holiday, the Valuation Date shall be the immediately succeeding FX Business Day and (ii) in the case of a Specified Rate which is not determined by reference to an NDF Currency, be the immediately succeeding FX Business Day unless, in each case, in the opinion of the Calculation Agent, such relevant Valuation Date is a Disrupted Day in relation to any Specified Rate. If such relevant Valuation Date is a Disrupted Day, then in relation to each Specified Rate not affected by such Disrupted Day the Valuation Date shall be the Scheduled Valuation Date and in relation to each Specified Rate affected by such Disrupted Day:

- (a) in the case of a Specified Rate which is not determined by reference to an NDF Currency, the relevant Valuation Date shall be (i) where any of Calculation Agent Determination, Currency Reference Dealer Quotation or Fallback Reference Price is the applicable Disruption Fallback, the Scheduled Valuation Date or (ii) where Valuation Postponement is the applicable Disruption Fallback, the Valuation Date determined in accordance with such provision and in each case the Calculation Agent will determine the Specified Rate in accordance with the provisions of "Disruption Fallback"; or
- (b) in the case of a Specified Rate which is determined by reference to an NDF Currency, the relevant Valuation Date shall be the first succeeding calendar day that is not a Disrupted Day, unless each of the number of consecutive calendar days equal to the Specified NDF Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:
 - (i) the FX Business Day immediately following such last consecutive calendar day shall be deemed to be the relevant Valuation Date, notwithstanding the fact that such day may be a Disrupted Day; and
 - (ii) the Calculation Agent shall determine the relevant Specified Rate as of the Valuation Time on such day (x) as the Specified Rate determined on the basis of the Second Fallback FX Price Source, if any, specified in the applicable Final Terms or, if no such Second Fallback FX Price Source is specified or if it is specified but is unavailable or otherwise not reasonably practicable to use, (y) as its good faith estimate of the Specified Rate which would have prevailed at such time but for the provisions of this sub-paragraph (b)(ii) applying by reference to such source(s) as it may determine appropriate and taking into account any FX Market Disruption Event at such time.

"Valuation Postponement" means, in respect of any Valuation Date, that the Calculation Agent will determine the Specified Rate on first succeeding FX Business Day that is not a Disrupted Day, unless each of the number of consecutive FX Business Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:

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- (i) the last such consecutive FX Business Day shall be deemed to be the relevant Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Calculation Agent shall determine the relevant Specified Rate on such day in accordance with the next applicable Disruption Fallback or if no such Disruption Fallback is specified in the applicable Final Terms, Calculation Agent Determination.

"**Valuation Time**" shall mean, in relation to a Specified Rate the relevant time specified for such Specified Rate in the applicable Final Terms.

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EQUITY TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

The terms and conditions applicable to Equity Linked Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "N&C Security Conditions") and the additional Terms and Conditions set out below (the "Equity Linked Conditions") or (b) the General Terms and Conditions of the Warrants (the "Warrant Conditions") and the Equity Linked Conditions, in each case, together with any Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with (i) in the case of N&C Securities, the N&C Security Conditions and the Currency Linked Conditions or (ii) in the case of Warrants, the Warrant Conditions and the Currency Linked Conditions, as the case may be, the "Conditions") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or the Warrants Conditions, as the case may be, and the Equity Linked Conditions, the Equity Linked Conditions shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or the Warrants Conditions, as the case may be, and/or the Equity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Equity Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "Warrant" and "Warrants" as the context admits and references to "Securityholder" shall be deemed to be references to "N&C Securityholder" or "Warrant holder" as the context admits.

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable and references to a numbered Equity Linked Condition are to such numbered section as set out in this Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Equity Linked Securities.

1. EQUITY LINKED N&C SECURITIES

This Equity Linked Condition 1 will only apply to N&C Securities.

(a) Equity Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to this Equity Technical Annex, each Equity Linked Interest N&C Security will bear interest in the manner specified in the applicable Final Terms and the N&C Security Conditions.

(b) Equity Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled, each N&C Security will be redeemed by the Issuer (A) if Cash Settlement is specified in the applicable Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the applicable Final Terms by delivery of the Asset Amount on the Maturity Date (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

2. DEPOSITARY RECEIPTS

(a) Application of Depositary Receipt provisions

If "Depositary Receipt provisions" are specified as applicable in the applicable Final Terms, for the purposes of these Equity Linked Conditions:

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- (i) references to "**Share**" or "**Shares**" shall be deemed to include an ordinary share or ordinary shares or other relevant equity securities, as the case may be, of the Share Company to which the relevant Depositary Receipts specified in the applicable Final Terms relate;
- (ii) references to "**Exchange**" shall, in the context of the ordinary shares or other relevant equity securities of the Share Company, be deemed to be references to the Share Exchange specified in the applicable Final Terms;
- (iii) references to "**Share Company**" shall, in the context of a Depositary Receipt, be deemed to include references to the issuer or obligor of the Depositary Receipts;
- (iv) with respect to Depositary Receipts only, the following additional event shall constitute a Potential Adjustment Event for the purposes of Equity Linked Condition 4:

"a distribution in respect of the Shares of property other than cash, shares or rights relating to any Shares to the holder(s) of the Shares;" and
- (v) with respect to Depositary Receipts only, the following events shall constitute Additional Disruption Events for the purposes of Equity Linked Condition 7:
 - (A) a Termination; and
 - (B) an Adjustment Event.

(b) **Definitions specific to Depositary Receipts**

"**Adjustment Event**" means (a) the terms and conditions of the Depositary Receipts have been altered or any adjustment or modification has been made pursuant to such terms and conditions (in each case whether by the Share Company or any party having influence over such terms and conditions) or the Depositary Receipts converted into other securities and/or (b) the aggregate amounts (or currency thereof) to which a holder is entitled under the Depositary Receipts are altered.

"**Depositary Receipt**" means a depositary receipt relating to ordinary shares or other relevant equity securities issued by a Share Company, as specified in the applicable Final Terms, subject to adjustment pursuant to the provisions specified in Equity Linked Conditions 4, 5 and 7.

"**Termination**" means, in relation to an issue of Depositary Receipts, such issue has been terminated, cancelled or otherwise ceased to be outstanding for any reason. This shall include, without limitation, the termination of the deposit agreement in respect of the Shares and/or written instructions being given by the Share Company to the depository of the Shares to withdraw or surrender the Shares.

3. MARKET DISRUPTION

"**Market Disruption Event**" means, in relation to Securities relating to a single Share or a basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner), determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date.

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4. POTENTIAL ADJUSTMENT EVENTS

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

- (a) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares 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 Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or certificates or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an Extraordinary Dividend (as defined in Equity Linked Condition 8) as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, 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 Basket Company or Share Company, as the case may be, 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, certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner), determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of (a) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (b) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (c) any of the other terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares relating to any Potential Adjustment Event, and any related adjustments to the terms of the Securities, the Calculation Agent may take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

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Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as reasonably practicable under the circumstances to (i) the Issuer and the Principal Paying Agent or Principal Warrant Agent, as the case may be, and (ii) the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, stating the adjustment to (a) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (b) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (c) any of the other terms of the Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event, *provided that* any failure to give, or non-receipt of, such notice will not affect the validity of the Potential Adjustment Event.

5. EXTRAORDINARY EVENTS

(a) Definitions applicable to Extraordinary Events

As used herein:

"Extraordinary Event" means any of an Additional Extraordinary Event, a De-Listing, an Insolvency, a Merger Event, a Nationalisation, a Tender Offer (provided that a Tender Offer shall only be an Extraordinary Event if specified as applicable in the applicable Final Terms), any other events specified as "Additional Extraordinary Events" in the applicable Final Terms and, in the case of Securities relating to a basket of Shares, each of a De-Merger and a Participation Event (whether or not such events are Additional Extraordinary Events), and

"Additional Extraordinary Event" means any of a De-Merger, a Participation Event, Illiquidity or any other event but in each case only if specified as applicable in the applicable Final Terms;

"De-Listing" means, in respect of any relevant Shares, the relevant Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a 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);

"De-Merger" means, in respect of any relevant Shares, that the Basket Company or Share Company, as the case may be, is affected by a de-merger including, without limitation, a spin off, scission or any operation of a similar nature;

"Illiquidity" means, in respect of any relevant Shares, that, in the determination of the Calculation Agent, during any period of five (5) consecutive Scheduled Trading Days falling after the Issue Date (the **"Relevant Period"**), (a) the difference between the bid prices and the ask prices (as quoted on any Relevant Market) in respect of a Share during the Relevant Period is greater than 1% (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00 (or its equivalent), is greater than MID plus 1% (in relation to a purchase of Shares) or lower than the MID minus 1% (in relation to a sale of Shares). For these purposes, **"MID"** means an amount equal to (a) the sum of the bid price and the ask price (as quoted on any Relevant Market), in each case for the relevant Share at the relevant time, (b) divided by two;

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them;

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

"Merger Event" means, in respect of any relevant Shares, 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 a Basket Company or Share Company, as the case may

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be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, 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 Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, 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, in each case if the Merger Date is on or before (1) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date, (2) in the case of Physical Delivery N&C Securities, the relevant Maturity Date or (3) in the case of Physical Delivery Warrants, the relevant Settlement Date;

"Nationalisation" means that all the Shares or all or substantially all the assets of the Basket Company or 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;

"Participation Event" means that a Basket Company takes a stake exceeding 20.00 per cent. of another separate Basket Company comprised within the same basket of Shares;

"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 Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant; and

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

(b) **Consequences of an Extraordinary Event**

If any Extraordinary Event occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), or (iii) below:

- (i) require the Calculation Agent to determine, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner), the appropriate adjustment, if any, to be made to any one or more of (A) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (B) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and (C) or any of the other terms of the Conditions and/or the applicable Final Terms to account for such Extraordinary Event, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities, or selecting a replacement share and making any relevant adjustments in relation thereto. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange and the Calculation Agent may take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Extraordinary Event; or
- (ii) where the Securities relate to a basket of Shares, on giving notice to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, redeem (in the case of N&C Securities) or cancel, as the case may be, each Security in part. If a Security is so redeemed (in the case of N&C Securities) or cancelled in part the portion (the **"Partial Amount"**) of each such Security representing the

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affected Share(s) shall be redeemed (in the case of N&C Securities) or cancelled, as the case may be, and the Issuer will (x) pay to each Securityholder in respect of each Security held by him an amount equal to (I) in the case of Securities other than Italian Securities, the fair market value of the Partial Amount, taking into account prevailing market prices and/or exchange rates prices of the affected Share and/or the relevant Extraordinary Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion, (II) in the case of Italian SeDeX Securities, the fair market value of the Partial Amount, which the Calculation Agent determines would have prevailed but for the occurrence of the Extraordinary Event, as determined by the Calculation Agent in good faith and in a reasonable manner, or (III) in the case of Italian MOT Securities, the nominal amount; and (y) require the Calculation Agent to determine in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) the appropriate adjustment, if any, to be made to any of the terms of the Conditions and/or the applicable Final Terms to account for such redemption (in the case of N&C Securities) or cancellation in part. For the avoidance of doubt the remaining part of each such Security after redemption (in the case of N&C Securities) or cancellation and adjustment shall remain outstanding with full force and effect (if applicable, as so adjusted). Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable; or

- (iii) on giving notice to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, redeem (in the case of N&C Securities) or cancel (in the case of Warrants) all but not some only of the Securities, each Security being redeemed, in the case of N&C Securities, or cancelled, in the case of Warrants, at the Early Redemption Amount, in the case of N&C Securities, or Early Cancellation Amount, in the case of Warrants, which shall be determined by taking into account the relevant Extraordinary Event all as determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner). Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable; or
- (iv) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of (A) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (B) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (C) any of the other terms of the Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of (I) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (II) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (III) any of the other terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for such Extraordinary Event, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or
- (v) if the applicable Final Terms provide that "Share Substitution" is applicable, then on or after the relevant Merger Date, Tender Offer Date, or such other appropriate date (taking into account the Extraordinary Event) as the Calculation Agent may select, the Calculation Agent may adjust the terms of the Conditions and/or the applicable Final Terms to include a share selected by it in accordance with the criteria for share selection set out below (the "**Substitute Shares**") in place of the Share(s) (the "**Affected Share(s)**") which are affected by the relevant Extraordinary Event and the Substitute Shares will be deemed to be "**Shares**" and the relevant issuer of such shares, a "**Share Company**" or a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to the Relevant Asset, the Asset Amount, in the case of N&C Securities, the Entitlement, in the case of Warrants, any weighting applied to the Substitute Shares, any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute

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discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) determines appropriate and shall determine the effective date (the "**Substitution Date**") for such substitution, provided that in the event that any amount payable under the Securities was to be determined by reference to an initial price or value of the Affected Share (the "**Initial Price**"), and unless the Calculation Agent determines this would be inappropriate or impracticable (in which case, the Calculation Agent may select such other methodology as it determines appropriate), the Initial Price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula;

$$\text{Initial Price} = A \times (B / C)$$

Where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Initial Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) and specified in the notice referred to in the final paragraph of this Equity Linked Condition 5 which may, but need not, be the Merger Date or Tender Offer Date or the date of such Extraordinary Event, as applicable.

Unless the Calculation Agent determines this would be inappropriate (in which case, the Calculation Agent may select such other methodology as it determines appropriate), the weighting of each Substitute Share will be equal to the weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which, in the sole and absolute discretion of (or, in the case of Italian Securities, as determined in good faith and in a reasonable manner by) the Calculation Agent:

1. is not already comprised in the basket of Shares;
2. the relevant issuer in respect of which belongs to a similar economic sector as the Share Company or Basket Company in respect of the Affected Share; and
3. the relevant issuer in respect of which is of comparable market capitalisation, international standing and exposure as the Share Company or Basket Company in respect of the Affected Share ignoring for this purpose the occurrence of the relevant Merger Event, Tender Offer or Extraordinary Event.

Upon the occurrence of an Extraordinary Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices or Warrant Condition 11 (Notices), as applicable, stating the occurrence of the Extraordinary Event giving details thereof and the action proposed to be taken in relation thereto, *provided that* any failure to give, or non-receipt of, such notice will not affect the validity of the Extraordinary Event or the proposed action.

6. CORRECTION OF SHARE PRICE

With the exception of any corrections published after the day which is three (3) Exchange Business Days prior to the Maturity Date, in the case of N&C Securities, or Settlement Date, in the case of Warrants, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Exchange within one Settlement Cycle after the original publication, the Calculation Agent may make any adjustments to the Conditions and/or adjust any subsequent

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payments under the Securities, as it may determine appropriate to take into account such correction(s). The price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three (3) Exchange Business Days prior to a due date for payment under the Securities calculated by reference to the price of a Share, will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

7. **ADDITIONAL DISRUPTION EVENTS**

"Additional Disruption Event" means:

- (A) if "Elected Events Only" is specified in the applicable Final Terms, any of Analogous Event, Change in Law, Currency Event, Failure to Deliver, Force Majeure Event, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Jurisdiction Event, Loss of Stock Borrow, Stop-Loss Event, any Specified Additional Disruption Event and/or, if applicable pursuant to Equity Linked Condition 2, a Termination or an Adjustment Event but in each case, only to the extent that such events are specified as Additional Disruption Events in the applicable Final Terms; or
- (B) if "Elected Events Only" is specified not to apply in the applicable Final Terms, any of Analogous Event, Change in Law, Currency Event, Failure to Deliver, Force Majeure Event, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing, Jurisdiction Event, Loss of Stock Borrow, Stop-Loss Event (but, in the case of a Stop-Loss Event, only if specified as applicable in the applicable Final Terms) and/or any Specified Additional Disruption Event and/or, if applicable pursuant to Equity Linked Condition 2, a Termination or an Adjustment Event.

Consequences of an Additional Disruption Event

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) may take the action described in (i), or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) the appropriate adjustment, if any, to be made to any one or more of (A) any Relevant Asset and/or the Asset Amount (in each case with respect to Physical Delivery N&C Securities), (B) any Relevant Asset and/or Entitlement (in each case with respect to Physical Delivery Warrants) and/or (C) any of the other terms of the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment. Without limitation, the Calculation Agent may take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Additional Disruption Event; or
 - (ii) redeem or cancel the Securities, as the case may be, by giving notice to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable. If the Securities are so redeemed or cancelled, as the case may be, the Issuer will pay an amount to each Securityholder in respect of each Security held by him which amount shall be the Early Redemption Amount, in the case of N&C Securities, or Early Cancellation Amount, in the case of Warrants, determined by taking into account the Additional Disruption Event. Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Extraordinary Event or the proposed action.

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8. DEFINITIONS RELATING TO DIVIDENDS

The following definitions may be used in connection with Equity Linked Securities if so specified in the applicable Final Terms:

"Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency. In respect of any relevant amount in euro, any day on which the TARGET2 System is open.

"Dividend Amount" means, in respect of the relevant Share, the related Dividend Period and the related Dividend Payment Date, the Record Amount, the Ex Amount or the Paid Amount, as specified in the applicable Final Terms or any other amount determined as provided in the applicable Final Terms, or included as part of an adjustment pursuant to Equity Linked Condition 4.

"Dividend Payment Date" means, in respect of a Dividend Period, each date specified or otherwise determined as provided in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day. If no such date is specified in the applicable Final Terms the Dividend Payment Date shall be (i) in the case of N&C Securities, the Interest Payment Date relating to the Dividend Period and (ii) in the case of Warrants, the Valuation Date falling closest in time to the last day of the relevant Dividend Period.

"Dividend Period" means, the First Period or the Second Period, as specified in the applicable Final Terms, or such other period determined as provided in the applicable Final Terms. If no Dividend Period is specified in the applicable Final Terms, the Dividend Period will be the Second Period.

"Ex Amount" means, in relation to a Dividend Amount, 100 per cent. of the gross cash dividend per Share declared by the Share Company or Basket Company to holders of record of a Share where the date that the Shares have commenced trading ex-dividend on the Exchange occurs during the relevant Dividend Period.

"Excess Dividend Amount" means, in respect of a Dividend Period, the Extraordinary Dividend Record Amount, the Extraordinary Dividend Ex Amount or the Extraordinary Dividend Paid Amount, as specified in the applicable Final Terms, or any other amount determined as provided in the applicable Final Terms.

"Extraordinary Dividend" means an amount per Share specified or otherwise determined as provided in the applicable Final Terms. If no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent acting in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"Extraordinary Dividend Ex Amount" means, in relation to an Excess Dividend Amount, 100 per cent. of the Extraordinary Dividend per Share declared by the Share Company or Basket Company to holders of record of a Share where the date that the Shares have commenced trading ex-dividend on the relevant Exchange occurs during the relevant Dividend Period.

"Extraordinary Dividend Paid Amount" means, in relation to an Excess Dividend Amount 100 per cent. of the Extraordinary Dividend per Share paid by the Share Company or Basket Company during the relevant Dividend Period to holders of record of a Share.

"Extraordinary Dividend Record Amount" means, in relation to an Excess Dividend Amount 100 per cent. of the Extraordinary Dividend per Share declared by the Share Company or Basket Company to holders of record of a Share on any record date occurring during the relevant Dividend Period.

"First Period" means each period from, and including, (a) in the case of N&C Securities, one Interest Payment Date or (b) in the case of Warrants, one Valuation Date to, but excluding, (I) in the case of N&C Securities, the next following Interest Payment Date or (II) in the case of Warrants, the next following Valuation Date, except that (i) the initial Dividend Period will commence on, and include, the Clearance System Business Day that is one Settlement Cycle following the Trade Date

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and (ii) the final Dividend Period will end on, but exclude, (A) in the case of N&C Securities, the final Interest Payment Date or (B) in the case of Warrants, the final Valuation Date.

"Paid Amount" means, in relation to a Dividend Amount, 100 per cent. of the gross cash dividend per Share paid by the Share Company or Basket Company during the relevant Dividend Period to holders of record of a Share.

Any **"gross cash dividend"** shall represent a sum before the withholding or deduction of taxes at the source by or on behalf of any applicable authority having power to tax in respect of such a dividend, and shall exclude any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon. In addition, "gross cash dividends" shall exclude Extraordinary Dividends and Excess Dividend Amounts, if any, unless otherwise provided in the applicable Final Terms.

"Record Amount" means, in relation to a Dividend Amount, 100 per cent. of the gross cash dividend per Share declared by the Share Company or Basket Company to holders of record of a Share on any record date occurring during the relevant Dividend Period.

"Second Period" means each period from, but excluding, one Valuation Date to, and including, the next Valuation Date, except that (i) the initial Dividend Period will commence on, but exclude, the Trade Date and (ii) the final Dividend Period will end on, and include, (a) the final Valuation Date, (b) in respect of Physical Delivery N&C Securities, the date that is one Settlement Cycle prior to the Maturity Date or (c) in respect of Physical Delivery Warrants, the date that is one Settlement Cycle prior to the Settlement Date.

9. NON-EURO QUOTED SHARES

In respect of Securities relating to Shares originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty (as defined in N&C Security Condition 17.2 or Warrant Condition 15(B), as applicable, if such shares are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Shares are traded, then the Calculation Agent may adjust any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) to be appropriate to preserve the economic terms of the Securities. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the relevant Valuation Time (or such other time as the Calculation Agent determines appropriate) at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of such time. No adjustments under this provision will affect the currency denomination of any payment obligation arising out of the Securities.

10. DEFINITIONS

Unless otherwise specified in the applicable Final Terms:

"Analogous Event" means any event analogous to any of the Additional Disruption Events: Change in Law, Currency Event, Failure to Deliver, Force Majeure Event, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow and Loss of Stock Borrow, in each case if such Additional Disruption Event is specified as applicable in the applicable Final Terms, all as determined by the Calculation Agent;

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if **"Omission"** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation

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Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or

- (b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount 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; or
- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:
 - (i) where the Securities relate to a single share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a) of the definition of "Valuation Date" below; or
 - (ii) where the Securities relate to a basket of Shares, the Averaging Date for each Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that last such consecutive Scheduled Trading Day is already an Averaging Date) in respect of such Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b) of the definition of "Valuation Date" below; and
 - (iii) for the purposes of these Equity Linked Conditions, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Basket Company**" means a company whose shares are included in the basket of Shares and "**Basket Companies**" means all such companies;

"**Bloomberg Screen**" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, in all cases for the purpose of displaying comparable rates in succession thereto).

"**Change in Law**" means that, on or after the Trade Date (as specified in the applicable Final Terms) (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), 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 Issuer determines in its sole and absolute discretion that (i) it has become illegal to hold, acquire or dispose of any relevant Share and/or (ii) the Hedging Party will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates or any Hedging Party), or (iii) the performance of the Guarantor under the Guarantee has become unlawful.

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"**Clearance System**" shall mean any one of Euroclear, Clearstream, Luxembourg or any other relevant clearance systems specified as such in the applicable Final Terms or any successor to such clearance system.

"**Clearance System Business Day**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a settlement disruption event, would have been) open for acceptance and execution of settlement instructions.

"**Closing Price**" means, in relation to a Share:

- (a) if the relevant Exchange is the Tokyo Stock Exchange or the Osaka Securities Exchange, the last traded price of such Share for the day quoted by the Exchange, provided however, that if there is a closing special quote on such Shares quoted by the Exchange (*tokubetsu kehaine*), such quote shall be deemed to be the relevant Closing Price;
- (b) if the relevant Exchange is the Italian Stock Exchange, the *Prezzo di Riferimento*, which means the price as published by the Italian Stock Exchange at the close of trading and having the meaning ascribed thereto in the Rules of the Markets organised and managed by the Italian Stock Exchange, as such Rules may be amended by the Borsa Italiana S.p.a. from time to time; or
- (c) in any other case, the official closing price of such Share on the relevant Exchange.

"**Currency Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible (a) for the Issuer or any of its Affiliates or Hedging Party to convert the relevant currency ("**Local Currency**") in which the Shares or any options or futures contracts or other hedging arrangement in relation to the Shares are denominated, into the currency required for settlement of the Securities ("**Settlement Currency**"), or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Shares or any options or futures contracts in relation to the Shares are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities, all as determined by the Calculation Agent.

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

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

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

"**Exchange Business Day**" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms provided that if, in the case of (b), no such specification is made in the applicable Final Terms, Exchange Business Day (All Shares Basis) shall apply.

"**Exchange Business Day (All Shares Basis)**" means, in respect of a basket of Shares, any Scheduled Trading Day on which each relevant Exchange and each Related Exchange (if any) in respect of all Shares comprised in the basket of Shares is open for trading during its regular trading session, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

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"Exchange Business Day (Per Share Basis)" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange (if any) in respect of such Share is open for trading during its regular trading session, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange (if any) is open for trading during its regular trading session, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

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

"Failure to Deliver" means failure of the Hedging Party to deliver, when due, the Relevant Assets comprising the Asset Amount (in the case of N&C Securities) or the Entitlement (in the case of Warrants), where such failure to deliver is due to illiquidity in the market for such Shares.

"Final Valuation Date" means the date specified as a Final Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with these Equity Linked Conditions.

"Force Majeure Event" means that on or after the Trade Date, the performance of the Issuer's obligations under the Securities or the Hedging Agreement or the performance of the Hedging Party's obligations under the Hedging Agreement is prevented or materially hindered or delayed due to (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise, or (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond the Issuer's control, or (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or the Hedging Party and/or any of its Affiliates of all or substantially all of its assets in a relevant or connected jurisdiction.

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hedging Agreement" means any transaction that hedges the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities.

"Hedging Disruption" means that the Hedging Party 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 or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Calculation Agent.

"Hedging Party" means at any relevant time, the Issuer or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Securities as the Issuer may select at such time.

"Hedging Shares" means the number of Shares that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities.

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a)

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acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Hedging Party would incur a rate to borrow any Share that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, unless otherwise specified in the applicable Final Terms, and in respect of a Share, the rate which the Hedging Party would have incurred to borrow such Share in any Relevant Market, as of the Trade Date, as determined by the Calculation Agent.

"Initial Valuation Date" means the date specified as an Initial Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with these Equity Linked Conditions.

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

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

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates or the Hedging Party to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Shares or any options or futures contracts in relation to the Shares in order for the Issuer to perform its obligations under the Securities or in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities) or the costs of so doing would (in the sole and absolute determination of (or, in the case of Italian Securities, as determined in good faith and in a reasonable manner by) the Calculation Agent) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise, all as determined by the Calculation Agent.

"Local Jurisdiction" has the meaning given in the definition of Offshore Investor.

"Local Taxes" shall mean taxes, duties, and similar charges imposed by the taxing authority of the country in which the Basket Company or the Share Company, as the case may be, has been incorporated or in which the relevant Exchange is located.

"Loss of Stock Borrow" means that the Hedging Party is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

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"Maximum Stock Loan Rate" means, unless otherwise specified in the applicable Final Terms, and in respect of a Share, the lowest rate which the Hedging Party, after using commercially reasonable efforts, would have incurred to borrow such Share in any Relevant Market, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Calculation Agent.

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms.

"Offshore Investor" shall mean a holder of Shares who is an institutional investor not resident in the country in which the Basket Company or the Share Company, as the case may be, has been incorporated or in which the relevant Exchange is located (the **"Local Jurisdiction"**), for the purposes of the tax laws and regulations of the Local Jurisdiction and, for the avoidance of doubt, whose jurisdiction of residence (i) shall be determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) and (ii) may be the jurisdiction of a Hedging Party.

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

"Relevant Market" means, for the purpose of determining any value or other amount pursuant to these Equity Linked Conditions, any relevant quotation system, exchange, dealing system, screen page, over-the-counter derivatives or other market which the Calculation Agent determines appropriate for such purpose and which it may select taking into account hedging arrangements of the Issuer and/or its Affiliates for the Securities.

"Relevant Time" means, in relation to a Share, the time specified as such in the applicable Final Terms.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Reuters Money Market Rate Services or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may be replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

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

"Scheduled Observation Date" means each date specified as a Scheduled Observation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with these Equity Linked Conditions.

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that if, in the case of (b), no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Shares Basis) shall apply.

"Scheduled Trading Day (All Shares Basis)" means, in respect of a basket of Shares, any day on which each Exchange and each Related Exchange (if any) in respect of all Shares comprised in the basket of Shares is scheduled to be open for trading for its regular trading session.

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"Scheduled Trading Day (Per Share Basis)" means, in respect of a Share, any day on which the relevant Exchange and each Related Exchange (if any) in respect of such Share is scheduled to be open for trading for its regular trading session.

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and each relevant Related Exchange (if any) is scheduled to be open for trading during its regular trading session.

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

"Screen Page" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"Settlement Cycle" means, in respect of any Share, the period of Clearance System Business Days following a trade in Shares on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"Settlement Price" means, unless otherwise specified in the applicable Final Terms and subject as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be, in respect of a Share, an amount equal to the Closing Price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and (or if, in the opinion of the Calculation Agent, any such Closing Price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide.

"Shares" and **"Share"** mean in the case of an issue of Securities relating to a basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such share.

"Specified Additional Disruption Event" means each event specified as a Specified Additional Disruption Event in the applicable Final Terms.

"Specified Maximum Days of Disruption" means the lesser of (a) either (i) eight (8) Scheduled Trading Days or (ii) such other number of Scheduled Trading Days specified as such in the applicable Final Terms and (b) such number of Scheduled Trading Days in the period from (but excluding) the Scheduled Valuation Date or Scheduled Averaging Date, as applicable to (but excluding) the third (3rd) Business Day prior to any due date for any payment under the Securities for which valuation on the relevant Averaging Date or Valuation Date is relevant, all as determined by the Calculation Agent.

"Stop-Loss Event" means the price of any Share as quoted on the relevant Exchange for such Share at any time or the Scheduled Closing Time, as specified in the applicable Final Terms, on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later the Strike Date, is less than 5.00 per cent., or (if different) such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is stipulated in the applicable Final Terms, the price given as the Benchmark Price for such Share in the applicable Final Terms, all as determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"Trade Date" shall have the meaning specified in the applicable Final Terms.

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"Trading Disruption" means, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to the share or (b) in futures or options contracts relating to such share on any relevant Related Exchange.

"Valuation Date" means the date specified as such in the applicable Final Terms and otherwise in accordance with the above provisions or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Securities relating to a single Share, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price (including without limitation the conversion of such amount from or into any applicable currency) in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that the last such consecutive Scheduled Trading Day; or
- (b) in the case of Securities relating to a basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Share affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using its good faith estimate of the value for the Affected Item as of the Valuation Time on the last consecutive Scheduled Trading Day.

"Valuation Time" means the Relevant Time specified in the applicable Final Terms or, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Share to be valued provided that if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

11. PHYSICAL DELIVERY N&C SECURITIES

This Equity Linked Condition 11 will only apply to N&C Securities.

(A) Physical Delivery

(1) Asset Transfer Notices

In relation to Physical Delivery N&C Securities other than N&C Securities represented by a Rule 144A Global N&C Security, in order to obtain delivery of the Asset Amount(s) in respect of any N&C Security:

- (X) if such N&C Security is represented by a Global N&C Security, the relevant N&C Securityholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement; and

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- (Y) if such N&C Security is in definitive form, the relevant N&C Securityholder must deliver (i) if this N&C Security is a Bearer N&C Security, to any Paying Agent or (ii) if this N&C Security is a Definitive Registered N&C Security, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent and Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement.

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

An Asset Transfer Notice may only be delivered (i) if such N&C Security is represented by a Global N&C Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such N&C Security is in definitive form, in writing.

If this N&C Security is in definitive form, this N&C Security must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant N&C Securityholder and the person from whom the Issuer may obtain details for the delivery of the Asset Amount;
- (ii) specify the series number of the N&C Securities and the number of N&C Securities which are the subject of such notice;
- (iii) in the case of N&C Securities represented by a Global N&C Security, specify the nominal amount or, in case of N&C Securities issued in units, number of N&C Securities which are the subject of such notice and the number of the N&C Securityholder's account at Euroclear or Clearstream, Luxembourg as the case may be to be debited with such N&C Securities and irrevocably instruct and authorise the relevant Clearance System to debit the relevant N&C Securityholder's account with such N&C Securities on or before the Delivery Date;
- (iv) include an undertaking to pay all Delivery Expenses (as defined below) and, in the case of N&C Securities represented by a Global N&C Security, an authority to Euroclear or Clearstream, Luxembourg, as the case may, be to debit a specified account of the N&C Securityholder with Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (v) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the N&C Securityholder's account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Redemption Amount;
- (vi) certify that the beneficial owner of each N&C Security is not a U.S. person (as defined in the Asset Transfer Notice), the N&C Security is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;

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- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) Verification of the N&C Securityholder

In the case of N&C Securities represented by a Global N&C Security, upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg as the case may be shall verify that the person delivering the Asset Transfer Notice is the holder of the N&C Securities described therein according to its records. Subject thereto, Euroclear or Clearstream, Luxembourg as the case may be will confirm to the Principal Paying Agent the series number and number of N&C Securities which are the subject of such notice, the relevant account details and the details for the delivery of the Asset Amount of each N&C Security. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg as the case may be will on or before the Delivery Date debit the securities account of the relevant N&C Securityholder with the relevant N&C Securities.

(3) Determinations and Delivery Expenses

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of N&C Securities represented by a Global N&C Security, by Euroclear or Clearstream, Luxembourg, as the case may be or, in the case of N&C Securities in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Principal Paying Agent(s) and the relevant N&C Securityholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent immediately after being delivered or sent as provided in paragraph (1) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of N&C Securities represented by a Global N&C Security, Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of N&C Securities in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearance System, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant N&C Securityholder may not transfer the N&C Securities which are the subject of such notice.

All costs, taxes, duties and/or expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other costs, duties or taxes which the Calculation Agent determines may be or would be, or would have been incurred (i) in connection with the redemption of the N&C Securities and/or the delivery of the Asset Amount in respect of such N&C Securities and (ii) by the Issuer or any Affiliate had such entity unwound or varied any underlying related hedging arrangements in respect of the N&C Security ("**Delivery Expenses**") shall be for the account of the relevant N&C Securityholder and no Asset Amount will be deliverable until the relevant Delivery Expenses have been met or otherwise accounted for to the satisfaction of the Issuer.

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- (4) Delivery
 - (a) Subject to:
 - (i) an Asset Transfer Notice having been duly delivered as provided above on or prior to the Cut-Off Date; and
 - (ii) all Delivery Expenses having been paid or otherwise accounted for to the satisfaction of the Issuer by the relevant N&C Securityholder,

the Issuer shall, at the risk of the relevant N&C Securityholder, deliver or procure the delivery of the Asset Amount for each N&C Security, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the N&C Securityholder in the relevant Asset Transfer Notice, on the date fixed for redemption (such date, subject to adjustment in accordance with this Equity Linked Condition, the "**Delivery Date**"). Where the Asset Transfer Notice stipulates that the Asset Amount should be delivered to a specified clearing system, the Issuer's or the Guarantor's obligation to deliver such Asset Amount will be discharged by delivery to, or to the order of, the relevant clearing system and each of the persons shown in the records of the relevant clearing system as the account holder must look solely to the relevant clearing system for his share of any Asset Amount so delivered.

- (b) If a N&C Securityholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent, on or prior to the Cut-Off Date, then:
 - (i) the Issuer may elect, in its sole discretion to deliver or procure the delivery of the aggregate Asset Amounts for all such affected N&C Securities, at the risk of the relevant N&C Securityholder, to, or to the order of, the relevant Clearance System(s) in which the N&C Securities are held (and this may be after the date fixed for redemption) and its obligation to deliver any such Asset Amount so delivered shall be discharged thereby. Each of the persons shown in the records of the relevant Clearance System as the holder of a particular amount of the N&C Securities must look solely to the relevant Clearance System for his share of each such Asset Amount so delivered to, or to the order of, such Clearance System. For the purposes of paragraph (5) below, each Clearance System will be deemed to be a single N&C Securityholder and each Clearance System will be requested to divide and deliver such Asset Amounts in accordance with its rules; or
 - (ii) the Asset Amount will be delivered as soon as practicable after the date fixed for redemption (in which case, such date of delivery shall be the Delivery Date) at the risk of such N&C Securityholder in the manner provided in paragraph (a) above. For the avoidance of doubt, in such circumstances such N&C Securityholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the date fixed for redemption and no liability in respect thereof shall attach to the Issuer.
- (c) To the extent that the Issuer is not satisfied that the Delivery Expenses have been or will be paid in full by the relevant N&C Securityholder on or prior to the relevant Delivery Date, the Issuer may, in its sole discretion, elect to reduce the Asset Amount(s) to be delivered by an amount(s) which by market value (determined at the time of reduction by reference to such valuation sources as the Issuer determines appropriate) in aggregate is at least equal to the aggregate Delivery Expenses that it determines, in its sole discretion, have not been paid or otherwise accounted for (the Asset Amount as so reduced, the "**Reduced Asset Amount**"). Where the Issuer elects to make such a reduction, in accordance with this Equity Linked Condition 11(A)(4)(c), the Issuer's obligation to deliver the Asset Amount(s) shall be discharged in full by delivery of the Reduced Asset Amount in accordance with the provisions of this Equity Linked Condition 11(A)(4). The provisions of paragraphs (5) and (6) of this Equity Linked Condition 11(A) and the provisions of Equity Linked Condition 11(B) shall apply *mutatis mutandis* to any such delivery of the Reduced Asset Amount.

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(5) General

For the purpose of determining the Asset Amounts in respect of the N&C Securities, N&C Securities held by the same N&C Securityholder will be aggregated. The aggregate Asset Amount(s) to be delivered in respect of each such aggregated holding will be rounded down to the nearest whole unit of the Relevant Asset (or, where there is more than one type of Relevant Asset, each of the Relevant Assets), as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered but in lieu thereof the Issuer shall pay to the N&C Securityholders in respect of their respective holding an additional amount in the Specified Currency equal to the fair market value of such fraction(s) in such manner as shall be determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) and notified to N&C Securityholders in accordance with N&C Security Condition 14 (Notices).

Following the Delivery Date of a Share all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a N&C Securityholder will be paid to the account specified by the N&C Securityholder in the relevant Asset Transfer Notice as referred to in Equity Linked Condition 11(A)(1) or otherwise paid to the relevant Clearance System for the account of N&C Securityholders.

For such period of time after delivery of the Asset Amount as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Asset Amount (the "**Intervening Period**"), none of the Issuer, the Paying Agents, the Registrar or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any N&C Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a N&C Securityholder in respect of any loss or damage which such N&C Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations comprised in such Asset Amount or otherwise as specified in the applicable Final Terms.

(6) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event unless there is a Settlement Disruption Event on each of the ten (10) Settlement Business Days immediately following the original date that, but for such Settlement Disruption Event, would have been a valid Delivery Date. In that case, (a) if the Asset Amount can be delivered in any other commercially reasonable manner, as determined by the Calculation Agent, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant N&C Security by delivering the Asset Amount using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be the first day on which settlement of a sale of Relevant Assets comprising the Asset Amount executed on that tenth (10) Clearance System Business Day would customarily take place using such other commercially reasonable manner, and (b) if the Relevant Assets comprising the Asset Amount cannot be delivered in any other commercially reasonable manner, then the Delivery Date will be postponed until delivery can be effected in the manner contemplated in the Asset Transfer Notice or in any other commercially reasonable manner, as determined by the Calculation Agent. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of

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the Asset Amount is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant N&C Security by payment to the relevant N&C Securityholder of the Disruption Cash Redemption Amount (as defined below) on the fifth (5th) Business Day following the date that notice of such election is given to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices). Payment of the Disruption Cash Redemption Amount will be made in such manner as shall be notified to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices). The Calculation Agent shall give notice as soon as practicable to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices) that a Settlement Disruption Event has occurred. No N&C Securityholder shall be entitled to any payment in respect of the relevant N&C Security in the event of any delay in the delivery of the Asset Amount due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

- (7) If any Security represented by a Rule 144A Global N&C Security is to be redeemed by delivery of an Asset Amount, the relevant provisions relating to such delivery shall be set out in the applicable Final Terms.

(B) Definitions specific to Physical Delivery

"**Agency Agreement**" has the meaning given in the N&C Security Conditions.

"**Asset Amount**" has the meaning specified in the applicable Final Terms.

"**Asset Transfer Notice**" shall mean the notice in the form set out in the Agency Agreement.

"**Cut-Off Date**" has the meaning specified in the applicable Final Terms.

"**Disruption Cash Redemption Amount**", in respect of any relevant N&C Security, shall be the Market Value of such N&C Security expressed in the Specified Currency (taking into account any relevant currency exchange rate and, where the Settlement Disruption Event affected some but not all of the Shares comprising the Asset Amount and such non affected Shares have been duly delivered as provided above, the value of such Shares), all as determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms.

"**Settlement Disruption Event**" means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Asset Amount(s) using the method specified in the applicable Final Terms.

12. VARIATION OF SETTLEMENT

This Equity Linked Condition 12 will only apply to N&C Securities.

If the applicable Final Terms indicate that the Issuer has the option to vary settlement in respect of the N&C Securities, the Issuer may at its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) in respect of each such N&C Security give notice pursuant to Condition 14 (Notices) no later than the second (2) Business Day prior to the Maturity Date that the N&C Securities shall be (x) Cash Settled N&C Securities instead of Physical Delivery N&C Securities or (y) Physical Delivery N&C Securities instead of Cash Settled N&C Securities and in this case the provisions of Equity Linked Condition 1(b)(A) or (B) (*Equity Linked Redemption N&C Securities*) respectively shall apply.

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EQUITY INDEX TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR EQUITY INDEX LINKED SECURITIES

The terms and conditions applicable to Equity Index Linked Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "**N&C Security Conditions**") and the additional Terms and Conditions set out below (the "**Equity Index Linked Conditions**") or (b) the General Terms and Conditions of the Warrants (the "**Warrant Conditions**") and the Equity Index Technical Conditions, in each case, together with the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with, (i) the N&C Security Conditions and the Equity Index Linked Conditions, or (ii) the Warrant Conditions and the Equity Index Linked Conditions, as the case may be, the "**Conditions**") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or Warrant Conditions, as applicable, and the Equity Index Linked Conditions, the Equity Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or Warrant Conditions, as applicable, and/or the Equity Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Equity Index Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "Warrant" and "Warrants" as the context admits and references to "Securityholder" shall be deemed to be references to "N&C Securityholder" or "Warrantholder" as the context admits.

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered Equity Index Linked Condition are to such numbered section as set out in this Equity Index Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Equity Index Linked Securities.

1. EQUITY INDEX LINKED SECURITIES

This Equity Index Linked Condition 1 will apply to N&C Securities only.

(a) Equity Index Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to these Equity Index Linked Conditions, each Equity Index Linked Interest N&C Security will bear interest in, or determined in the manner specified in, the applicable Final Terms and the N&C Security Conditions.

(b) Equity Index Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to these Equity Index Linked Conditions, each N&C Security will be redeemed by the Issuer at the Final Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Maturity Date.

2. MARKET DISRUPTION

"**Market Disruption Event**" means, in relation to Securities relating to a single Index or basket of Indices:

(a) in respect of a Composite Index:

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

(A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at

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the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

- (B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (C) an Early Closure in respect of such Component Security; and
- (y) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20.00 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in each case, in respect of futures or options contracts relating to such Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure.

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

- (b) in the case of Non-Composite Indices, the occurrence or existence of (1) at any time during the one hour period that ends at the relevant Valuation Time (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, or (2) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in such Index at any time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in such Index at any time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (i) the portion of the level of such Index attributable to that Component Security and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event. The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date or a Valuation Date.

3. ADJUSTMENTS TO AN INDEX

- (a) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is:

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

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

(b) **Modification and Cessation of Calculation of an Index**

If, in the determination of the Calculation Agent,

- (i) on or prior to the last Valuation Date or the last Averaging Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an "**Index Modification**"); or
- (ii) the relevant Index Sponsor permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"); or
- (iii) on any Valuation Date or any Averaging Date, the Index Sponsor or (if applicable) the successor sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and, together with an Index Modification and an Index Cancellation, and any other events specified as such in the applicable Final Terms, each an "**Index Adjustment Event**");

then the Calculation Agent shall:

- (A) determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Index Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those Component Securities that comprised that Index immediately prior to that Index Adjustment Event;
- (B) replace the Index by a new Index provided that such index is (a) representative of the same economic or geographic sector (as the case may be), and (b) to the extent possible, representative of securities/components listed on one or more exchanges of one or more OECD countries and make relevant adjustments to the Conditions to account for such replacement; or
- (C) on giving notice to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, the Issuer shall redeem or cancel, as the case may be, all but not some only of the Securities, each Security being redeemed by payment of the relevant Early Redemption Amount, in the case of N&C Securities, or relevant Early Cancellation Amount, in the case of Warrants.

(c) **Notice**

The Calculation Agent shall, as soon as practicable, notify the relevant Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and such Agent shall make available for inspection by Securityholders copies of any such determinations.

4. CORRECTION OF INDEX

With the exception of any corrections published after the day which is three (3) Exchange Business Days prior to (i) in the case of N&C Securities, the Maturity Date or (ii) in the case of Warrants, the Settlement Date, if the level of the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Index Sponsor within one Settlement Cycle after the original publication, the level to be used for calculation of any relevant value in relation to the Securities shall be the level of the Index as so corrected and the Calculation Agent may make any relevant adjustment to the Conditions or any

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subsequent amount payable under the Securities to account therefor, as the Calculation Agent determines appropriate in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

5. ADDITIONAL DISRUPTION EVENTS

"Additional Disruption Event" means:

- (A) if "Elected Events Only" is specified in the applicable Final Terms, any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or any Specified Additional Disruption Event but in each case, only to the extent that such events are specified as Additional Disruption Events in the applicable Final Terms; or
- (B) if "Elected Events Only" is specified not to apply in the applicable Final Terms, any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Loss of Stock Borrow and/or any Specified Additional Disruption Event.

Consequences of an Additional Disruption Event

- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may either:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) the appropriate adjustment, if any, to be made to any of the terms of the Securities to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem or cancel, as the case may be, the Securities by giving notice to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable. If the Securities are so redeemed or cancelled, the Issuer will pay each Securityholder the Early Redemption Amount, in the case of N&C Securities, or Early Cancellation Amount, in the case of Warrants, in respect of each Security held by him. Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable.
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

6. INDEX DISCLAIMER

The Securities are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer (or, if applicable, the Guarantor) shall have no liability to the Securityholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer (or, if applicable, the Guarantor) nor its Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

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7. DEFINITIONS

Unless otherwise specified in the applicable Final Terms:

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

- (a) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Index Level provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount 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; or
- (c) if "**Modified Postponement**" is specified as applying in the applicable Final Terms then:
 - (i) where the Securities relate to a single Index, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Securities relate to a basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred for a number of consecutive Scheduled Trading days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such Scheduled Trading Day is already an Averaging Date) in respect of such Index, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below; and
 - (iii) for the purposes of these Terms and Conditions "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

"**Bloomberg Screen**" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, in all cases for the purpose of displaying comparable rates in succession thereto).

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"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), 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 Issuer determines in its sole and absolute discretion that (i) it has become illegal for it or any of its Affiliates or Hedging Party to hold, acquire or dispose of any Component Security or the relevant hedge positions relating to an Index, or (ii) the Hedging Party will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates or Hedging Party), or (iii) the performance of the Guarantor under the Guarantee has become unlawful.

"Clearance System" shall mean any one of Euroclear, Clearstream, Luxembourg or any other relevant clearance systems specified as such in the applicable Final Terms or any successor to such clearance system.

"Clearance System Business Day" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a settlement disruption event, would have been) open for acceptance and execution of settlement instructions.

"Closing Level" means, unless otherwise specified in the applicable Final Terms, and subject as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be, in the case of Securities relating to:

- (a) a Non-Composite Index, an amount equal to the official closing level of the Index; or
- (b) a Composite Index, the official closing level of such Index as published by the relevant Index Sponsor,

in each case as determined by the Calculation Agent.

"Component Security" means each and any component security of any Index.

"Composite Index" means any Index in respect of which the securities comprising such Index are listed, traded or quoted on more than one exchange or quotation system as determined by the Calculation Agent and provided that, notwithstanding this definition, the Calculation Agent may elect to treat an Index as a Non-Composite Index if it determines this is appropriate.

"Disrupted Day" means:

- (a) in the case of a Composite Index, any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; and
- (b) in the case of any Non-Composite Index, any Scheduled Trading Day on which: (i) the Exchange or the Related Exchange fails to open for trading during their regular trading session or (ii) a Market Disruption Event has occurred.

"Early Closure" means:

- (a) in the case of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (b) in the case of any Non-Composite Index, the closure on any Exchange Business Day with respect to such Index of any relevant Exchange(s) relating to Component Securities that comprise 20.00 per cent. or more of the level of such Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is

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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 Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the Component Securities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Component Securities on such temporary substitute exchange or quotation system as on the original Exchange); and
- (b) in the case of any Non-Composite Index, the relevant exchange or quotation system specified for such Index in the applicable Final Terms or if no such exchange or quotation system is specified for such Index in the Final Terms, the exchange or quotation system on which all or substantially all relevant Component Securities are listed (being for the avoidance of doubt, where any Component Security has more than one listing, the exchange or quotation system used by the relevant Index Sponsor for the purposes of valuing the relevant price of such Component Security) or, in each case, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Component Securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity in relation to the Component Securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that, in the case of (b), if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply.

"Exchange Business Day (All Indices Basis)" means, in respect of a basket of Indices, any Scheduled Trading Day on which (a) in respect of any Non-Composite Index, each relevant Exchange and each Related Exchange (if any) is open for trading during its regular trading session in respect of all Indices comprised in the basket, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of any Composite Index, (i) the relevant Index Sponsor calculates and publishes the level of such Composite Index and (ii) each Related Exchange (if any) in respect of each Composite Index in the basket, is open for trading during its regular trading session notwithstanding any such Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Per Index Basis)" means any Scheduled Trading Day on which: (a) in the case of any Composite Index (i) the Index Sponsor calculates and publishes the level of such Composite Index; and (ii) each Related Exchange (if any) in respect of such Composite Index is open for trading during its regular trading session, notwithstanding such Related Exchange closing prior to its Scheduled Closing Time; and (b) for any other Index, the relevant Exchange and each Related Exchange (if any) in respect of such Index is open for trading during its regular trading session, notwithstanding any such relevant Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which (a) in respect of a Non-Composite Index, the relevant Exchange and each relevant Related Exchange (if any) in respect of such Index is open for trading during its regular trading session, notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time and (b) in respect of a Composite Index (i) the relevant Index Sponsor calculates and publishes the level of such Composite Index and (ii) each Related Exchange (if any) in respect of such Composite Index, is open for trading during its regular trading session notwithstanding such Related Exchange closing prior to its Scheduled Closing Time.

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"Exchange Disruption" means, with respect to:

- (a) in the case of any Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (A) any Component Security on the Exchange in respect of such Component Security; or (B) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of any Non-Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values on any relevant Exchange(s) in Component Securities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange.

"Final Valuation Date" means the date specified as the Final Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with these Equity Index Linked Conditions.

"Hedging Disruption" means that the Hedging Party 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) the Issuer deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

"Hedging Party" means the Issuer or any Affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer in any underlying or hedging transactions relating to an Index in respect of the Issuer's obligations under the Securities.

"Hedging Shares" means the number of Component Securities comprised in an Index that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities.

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Increased Cost of Stock Borrow" means that the Hedging Party would incur a rate to borrow any Component Security comprised in an Index that is greater than the Initial Stock Loan Rate.

"Index" and **"Indices"** mean, subject to adjustment in accordance with these Equity Index Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Index Level" means the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms.

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

"Initial Stock Loan Rate" means, unless otherwise specified in the applicable Final Terms, and in respect of the relevant Component Security, the rate which the Hedging Party would have incurred to borrow such Component Security on any Relevant Market as of the Trade Date, as determined by the Calculation Agent.

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"Initial Valuation Date" means the date specified as the Initial Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with these Equity Index Linked Conditions.

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

"Loss of Stock Borrow" means that the Hedging Party is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Component Securities comprised in an Index in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

"Maximum Stock Loan Rate" means, unless otherwise specified in the applicable Final Terms, and in respect of the relevant Component Security, the lowest rate which the Hedging Party, after using commercially reasonable efforts, would have incurred to borrow such Component Security in the Relevant Market, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Calculation Agent.

"Non-Composite Index" means an Index that is not a Composite Index (together **"Non-Composite Indices"**).

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms.

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

"Relevant Market" means, for the purpose of determining any value or other amount pursuant to these Equity Index Linked Conditions, any relevant quotation system, exchange, dealing system, screen page, over-the-counter derivatives or other market which the Calculation Agent determines appropriate for such purpose and which it may select taking into account hedging arrangements of the Issuer and/or its Affiliates for the Securities.

"Relevant Time" shall have the meaning specified in the applicable Final Terms.

"Reuters Screen" shall mean, when used in connection with any designated page, specified in the applicable Final Terms, the display page so designated on the Reuters Money Market Rate Services or such other services or service as may be nominated as the information vendor for the purpose of displaying the specific page on that service or such other page as may be replace that page on that service or such other service, in all cases for the purpose of displaying comparable rates in succession thereto.

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

"Scheduled Observation Date" means each date specified as a Scheduled Observation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be a Valuation Date for the purposes of determining the consequences of any such day not being a Scheduled Trading Day or a Disrupted Day occurring on any such day in accordance with these Equity Index Linked Conditions.

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"**Scheduled Trading Day**" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if, in the case of (b), no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply.

"**Scheduled Trading Day (All Indices Basis)**" means, in respect of a basket of Indices, any day on which (a) in respect of any Non-Composite Indices, each relevant Exchange and each Related Exchange (if any) in respect of each Index in the basket is scheduled to be open for trading during its regular trading session, and (b) in respect of any Composite Indices, (i) the relevant Index Sponsor is scheduled to calculate and publish the levels of each Composite Index in the basket and (ii) each Related Exchange (if any) in respect of such Composite Indices is scheduled to be open for trading during its regular trading session.

"**Scheduled Trading Day (Per Index Basis)**" means (a) in respect of a Non-Composite Index, any day on which the relevant Exchange and each Related Exchange (if any) in respect of such Index is scheduled to be open for trading for its regular trading session, and (b) in respect of any Composite Index, any day on which (i) the Index Sponsor is scheduled to calculate and publish the level of such Composite Index; and (ii) each Related Exchange (if any) in respect of such Composite Index is scheduled to be open for trading for its regular trading session.

"**Scheduled Trading Day (Single Index Basis)**" means any day on which (a) in respect of an Index other than a Composite Index, the relevant Exchange and each Related Exchange (if any) is scheduled to be open for trading during its regular trading session, and (b) in respect of a Composite Index (i) the relevant Index Sponsor is scheduled to calculate and publish the level of such Composite Index and (ii) each Related Exchange (if any) in respect of such Composite Index is scheduled to be open for trading during its regular trading session.

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

"**Screen Page**" means the page specified in the applicable Final Terms, or any successor page or service thereto.

"**Settlement Cycle**" means, in respect of any Index, the period of Clearance System Business Days following a trade in the securities underlying such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

"**Specified Additional Disruption Event**" means each event specified as a Specified Additional Disruption Event in the applicable Final Terms.

"**Specified Maximum Days of Disruption**" means the lesser of (a) either (i) eight (8) Scheduled Trading Days or (ii) such other number of Scheduled Trading Days specified as such in the applicable Final Terms and (b) such number of Scheduled Trading Days in the period from (but excluding) the Scheduled Valuation Date or Scheduled Averaging Date, as applicable to (but excluding) the third (3rd) Business Day prior to any due date for any payment under the Securities for which valuation on the relevant Averaging Date or Valuation Date is relevant, all as determined by the Calculation Agent.

"**Trading Disruption**" means:

- (a) in the case of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange; and
- (b) in the case of a Non-Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) relating to Component Securities that comprise 20.00 per cent. or more of the level of such Index on any relevant Exchange(s) or (b) in futures or options contracts relating to such Index on any relevant Related Exchange.

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"Valuation Date" means the date specified as such in the applicable Final Terms and otherwise in accordance with the above provisions or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) in the case of Securities relating to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Index Level in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Index Level by determining the level of the Index as of the Valuation Time on the last such consecutive 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 the last such consecutive Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
- (b) in the case of Securities relating to a basket of Indices, the Valuation Date for each Index, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, affected (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Index Level using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that 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 the last such consecutive Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

"Valuation Time" means the Relevant Time specified in the applicable Final Terms or if not so specified:

- (a) in the case of a Composite Index, in respect of such Index: (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (B) in respect of any options contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; and
- (b) in the case of any Non-Composite Index, 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 the Valuation Time shall be such actual closing time.

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ADDITIONAL TERMS AND CONDITIONS FOR FUND LINKED SECURITIES

The terms and conditions applicable to Fund Linked N&C Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "**N&C Security Conditions**") and the additional Terms and Conditions set out below (the "**Fund Linked Conditions**") or (b) the General Terms and Conditions of the Warrants (the "**Warrant Conditions**") and the Fund Linked Technical Conditions, in each case, together with the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with, (i) the N&C Security Conditions and the Fund Linked Conditions, or (ii) the Warrant Conditions and the Fund Linked Conditions, as the case may be, the "**Conditions**") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or Warrant Conditions, as applicable, and the Fund Linked Conditions, the Fund Linked Conditions shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or Warrant Conditions, as applicable, and/or the Fund Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Fund Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "Warrant" and "Warrants" as the context admits and references to "Securityholder" shall be deemed to be references to "N&C Securityholder" or "Warrantholder" as the context admits.

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered Fund Linked Condition are to such numbered section as set out in this Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date or Averaging Date) shall have the same meanings given in this Technical Annex or in the section of the Final Terms relating to Fund Linked N&C Securities.

1. FUND LINKED N&C SECURITIES

This Fund Linked Condition 1 will apply to N&C Securities only.

(a) Fund Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to this Funds Technical Annex, each Fund Linked Interest N&C Security will bear interest in the manner specified in the applicable Final Terms and the N&C Security Conditions.

(b) Fund Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled, each N&C Security will be redeemed by the Issuer by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, on the Maturity Date.

If Maturity Date Extension is specified as applying in the applicable Final Terms then, if the Redemption Payment Date in relation to the Valuation Date or last occurring Averaging Date has not occurred on or prior to the second (2nd) Currency Business Day preceding the Scheduled Maturity Date, the Maturity Date shall be postponed and shall occur on the seventh (7th) Currency Business Day following (i) the Redemption Payment Date in relation to the Valuation Date or last occurring Averaging Date or (ii) if earlier, the last day of the Cut-off Period.

2. FUND LINKED WARRANTS

This Fund Linked Condition 2 will apply to Warrants only.

If Settlement Date Extension is specified as applying in the applicable Final Terms then, if the Redemption Payment Date in relation to the Valuation Date or last occurring Averaging Date has not occurred on or prior to the second (2nd)

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Currency Business Day preceding the originally scheduled Settlement Date, the Settlement Date shall be postponed and shall occur on the seventh (7th) Currency Business Day following (i) the Redemption Payment Date in relation to the Valuation Date or last occurring Averaging Date or (ii) if earlier, the last day of the Cut-off Period.

3. POTENTIAL ADJUSTMENT EVENTS

If any Potential Adjustment Event exists or occurs at any time, the Calculation Agent will, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner), determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of the Fund Interest and, if so, the Issuer may require the Calculation Agent to (i) make the corresponding adjustment(s), if any, to any one or more of (a) in the case of N&C Securities, the Final Redemption Amount and/or (b) the relevant number of units of the Reference Fund and/or any of the other terms of these Fund Linked Conditions, the N&C Security Conditions or Warrant Conditions, as applicable, and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date(s) of the adjustment(s).

Upon making any such adjustment pursuant to this Fund Linked Condition 3, the Calculation Agent shall give notice as soon as practicable to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, stating the adjustment to be taken and giving details of the Potential Adjustment Event.

4. CONSEQUENCES OF AN EXTRAORDINARY FUND EVENT AND/OR AN ADDITIONAL EXTRAORDINARY FUND EVENT

If, in the determination of the Calculation Agent, an Extraordinary Fund Event(s) and/or Additional Extraordinary Fund Event(s) has occurred or exists, the Issuer may either:

- (i) require the Calculation Agent to (1) make the corresponding adjustment(s) (each an "**Adjustment**"), if any, to any one or more of (a) in the case of N&C Securities, any Interest Amount, Final Redemption Amount and/or the relevant number of units of the Reference Fund and/or (b) any of the other terms of these Fund Linked Conditions, the N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) determines appropriate to account for the relevant Extraordinary Fund Event or Additional Extraordinary Fund Event and (2) determine the effective date(s) of the adjustment(s) and such Adjustments may include, without limitation:
 - (A) in the case of N&C Securities, partially cancelling the N&C Securities and determining any partial cancellation amount (if any) in relation thereto;
 - (B) adjusting any method for calculating a Settlement Price or any other relevant level or value;
 - (C) delaying any determination or payment until the Calculation Agent determines that no Extraordinary Fund Event and/or Additional Extraordinary Fund Event exists;
 - (D) replacing an affected Fund Interest (the "**Affected Fund Interest**") with a replacement fund interest (the "**Replacement Fund Interest**") with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Reference Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Extraordinary Fund Event and/or Additional Extraordinary Fund Event; and/or
 - (E) in the case of N&C Securities, redeeming all, but not some only, of the N&C Securities on an amortised basis by making a series of partial redemption payments, in respect of each N&C Security, each such payment reflecting an N&C Security's *pro rata* share of any partial realisation amount in cash or in kind or (b) in the case of Warrants, partially cancelling all, but not some only, of the Warrants by making a series of partial cancellation amount payments, in respect of each Warrant, each

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such payment reflecting a Warrant's pro rata share of any partial realisation amount in cash or in kind, adjusted, if appropriate, to take account of the economic characteristics of the Warrants, including its option characteristic (in each case, a "**Partial Realisation Amount**") which the Calculation Agent determines would be received by a Hypothetical Investor holding the relevant Fund Interest in circumstances where a Fund Insolvency Event has occurred or exists or a Reference Fund has otherwise determined to make partial payments or deliveries in respect of any Fund Interest which may, without limitation, be made by or on behalf of a Reference Fund to reflect the realisation or liquidation of the Reference Fund's assets or positions.

Each such payment in respect of the Securities shall be made on such date and on such terms following each corresponding receipt of a Partial Realisation Amount by a Hypothetical Investor as the Calculation Agent shall notify to Securityholders. However, where any Partial Realisation Amount is a non-cash amount, the relevant Securities payment shall only be made following such time (if any) as the Calculation Agent determines a Hypothetical Investor could reasonably realise the relevant Partial Realisation Amount for cash proceeds. It should be noted that any such partial payments on the Securities may be significantly delayed (in some cases for a number of years) and may be zero, including in the event the Calculation Agent determines any such realisation could not be reasonably made. Each such partial payment shall be net of a Security's *pro rata* share of any relevant fees, costs or taxes which the Calculation Agent determines a Hypothetical Investor would suffer or would be required to pay in respect of any such realisation of the Fund Interest or a Partial Realisation Amount; or

- (ii) (a) in the case of N&C Securities, redeem all, but not some only, of the N&C Securities, each nominal amount of N&C Securities equal to the Calculation Amount or unit of N&C Securities, as the case may be, being redeemed at the Early Redemption Amount or (b) in the case of Warrants, cancel all, but not some only, of the Warrants, each Warrant being cancelled at the Early Cancellation Amount, in each case on the seventh (7) Currency Business Day following an applicable Redemption Payment Date or, if later following the date as of which the Calculation Agent determines a Hypothetical Investor could reasonably realise the relevant Fund Interest in full, as determined by the Calculation Agent.

If the Calculation Agent replaces an Affected Fund Interest with a Replacement Fund Interest, such replacement shall take effect on the first reasonably practicable date following the Removal Date for such Affected Fund Interest on which the Calculation Agent determines that a Hypothetical Investor could acquire the Replacement Fund Interest in full and the Calculation Agent shall determine all related Adjustments to the Securities to account for such replacement.

Upon making an Adjustment or following any determination by the Issuer to redeem or cancel, as the case may be, the Securities pursuant to this Fund Linked Condition 4, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, stating the adjustment or other action to be taken and giving brief details of the Extraordinary Fund Event and/or Additional Extraordinary Fund Event (as applicable).

5. CORRECTION OF FUND INTEREST PRICES

With the exception of any corrections published after the day which is three (3) Currency Business Days prior to the Maturity Date, in the case of N&C Securities, or Settlement Date, in the case of Warrants, (the "**Correction Cut-off Date**"), if (i) any price published by or on behalf of a Reference Fund with respect to any Fund Interest on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction is published by or on behalf of the Reference Fund after the original publication, or (ii) a Reference Fund with respect to any Fund Interest adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units or amount of Fund Interest that is subject to valuation, and such adjustment would be reflected in either an additional payment to such Hypothetical Investor, or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor, the Calculation Agent may in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) make any relevant Adjustment (as defined in Fund Linked Condition 4 above) to the Conditions or any subsequent amount payable under the Securities to

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account therefor. Corrections published on or after the Correction Cut-off Date will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

6. **DEFINITIONS APPLICABLE TO FUND LINKED SECURITIES**

(a) **Principal definitions applicable to the Reference Fund**

"Fund Documents" means, with respect to any Fund Interest, each relevant document specified as such in the applicable Final Terms and each relevant prospectus or offering document or any supplement thereto, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest and any additional fund documents, in each case, as amended from time to time.

"Fund Interest" means, subject to adjustment in accordance with these Fund Linked Conditions, an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms.

"Fund Interest Unit" means, unless otherwise specified in the applicable Final Terms, in respect of a Fund Interest in a Reference Fund, a share of such Fund Interest or, if Fund Interests in such Reference Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Reference Fund in the amount specified in the applicable Final Terms provided that if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the relevant Reference Fund Subscription Date shall be a single Fund Interest Unit. In relation to a Fund Interest Unit or Fund Interest, unless otherwise specified in the applicable Final Terms, a Settlement Price shall be determined by reference to the value of such Fund Interest Unit or Fund Interest, as determined by the Calculation Agent, and Reported Value Method or Deemed Payout Method shall be deemed to be applicable as specified in the applicable Final Terms.

"Reference Fund" means, subject to adjustment in accordance with these Fund Linked Conditions and in respect of a Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement giving rise to, the relevant Fund Interest.

(b) **Definitions applicable to Reference Fund Management/Administration**

"Fund Administrator" means, in respect of a Reference Fund, any person specified as such in the applicable Final Terms or if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.

"Fund Adviser" means, in respect of a Reference Fund, any person specified as such in the applicable Final Terms or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non discretionary investment adviser to a discretionary investment manager or to another non discretionary investment manager) for such Reference Fund.

"Fund Custodian" means, in respect of a Reference Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, any entity specified in the relevant Fund Documents which is responsible for the custody of the assets of the relevant Reference Fund.

"Fund Service Provider" means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, in respect of that Reference Fund, whether or not specified in the Fund Documents, including any Fund Adviser, Fund Administrator, operator, management company, depositary, custodian, sub custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, auditor and any other person specified as such in the applicable Final Terms.

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(c) **Principal definitions applicable to Valuation**

"**Averaging Date**" means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the applicable Final Terms or (i) in respect of any Fund Interest for which Reported Value Method is applicable, if such date is not a Fund Business Day, the next following Fund Business Day and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, if such day is not a Currency Business Day, the next following Currency Business Day.

"**Currency Business Day**" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant Specified Currency or, if the Specified Currency is euro, any day on which TARGET2 is open.

"**Cut-off Period**" means, in respect of any Valuation Date or Averaging Date, as the case may be, the period specified as such in the applicable Final Terms, or if no such period is specified, a period of one calendar year ending on the first anniversary of such Valuation Date or Averaging Date, as the case may be; provided that if a "Final Cut-off Date" is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

"**Final Cut-off Date**" means the date, if any, specified as such in the applicable Final Terms.

"**Final Valuation Date**" means the date specified as a Final Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be, (a) in the case of N&C Securities, a Valuation Date for the purposes of determining any Maturity Date Extension pursuant to Fund Linked Condition 1 and/or the consequences of any such day not being a Fund Business Day or a Currency Business Day and (b) in the case of Warrants, a Valuation Date for the purposes of determining a Settlement Date Extension pursuant to Fund Linked Condition 2 and/or the consequences of any such day not being a Fund Business Day or a Currency Business Day.

"**Fund Business Day**" means any day specified as such in the applicable Final Terms or, otherwise, any day the Reference Fund or the primary Fund Administrator, acting on behalf of the Reference Fund, is open for business.

"**Fund Valuation Date**" means, with respect to any Fund Interest and a Valuation Date or Averaging Date, as applicable, a date as of which the related Reference Fund (or a Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Reference Fund only reports its aggregate net asset value, a date as of which such Reference Fund determines its aggregate net asset value in relation to such Valuation Date or Averaging Date, as applicable.

"**Hypothetical Investor**" means, unless otherwise specified in the applicable Final Terms, with respect to any Fund Interest, a hypothetical investor in such Fund Interest located in the Hypothetical Investor Jurisdiction and deemed: (i) to have the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Reference Fund Subscription Date, an interest in the relevant Reference Fund in an amount equal to the number of Fund Interest Units or amount of the Fund Interest; (ii) in the case of any deemed investment in such Fund Interest, to have submitted, on the relevant Subscription Notice Date, a duly completed notice to the relevant Reference Fund, requesting subscription to the relevant number of Fund Interest Units or amount of the Fund Interest; and (iii) in the case of any deemed redemption of such Fund Interest or amount of the Fund Interest, to have submitted to the relevant Reference Fund on the relevant Redemption Notice Date a duly completed notice requesting redemption of the relevant number of Fund Interest Units or amount of the Fund Interest.

"**Hypothetical Investor Jurisdiction**" means the jurisdiction of organisation or formation, as applicable, of the relevant Hedging Party, unless otherwise specified in the applicable Final Terms.

"**Initial Valuation Date**" means the date specified as a Initial Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be, (a) in the case of N&C Securities a Valuation Date for the purposes of determining any Maturity Date Extension pursuant to Fund Linked Condition 1 and/or the consequences of any such day not being a Fund Business Day or a Currency Business Day and (b) in the case of Warrants,

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a Valuation Date for the purposes of determining a Settlement Date Extension pursuant to Fund Linked Condition 2 and/or the consequences of any such day not being a Fund Business Day or a Currency Business Day.

"Observation Period" means the period specified as the Observation Period in the applicable Final Terms.

"Redemption Notice Date" means, with respect to any Fund Interest and any Valuation Date or Averaging Date, the date specified as such in the applicable Final Terms, or if no such date is specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Reference Fund, to submit a redemption notice that would be timely for a redemption as of the relevant Valuation Date or Averaging Date, as applicable.

"Redemption Payment Date" means, with respect to any Fund Interest and any Valuation Date or Averaging Date, as applicable, each date on which the related Reference Fund actually pays all or the specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice for redemption of such Fund Interest as of such Valuation Date or Averaging Date, as applicable.

"Redemption Proceeds" means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Reference Fund to a Hypothetical Investor who, as of the relevant Valuation Date or Averaging Date, as applicable, redeems such amount of such Fund Interest; provided that (i) any such proceeds that would be paid in property other than cash shall be valued by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) by reference to such source(s) as it determines appropriate (and may be assigned the value of zero) and (ii) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

"Reference Fund Subscription Date" means the date specified as such in the applicable Final Terms or, if no such date is specified, with respect to any Fund Interest, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Reference Fund would be considered effective by the Reference Fund.

"Reported Fund Interest Value" means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest and a Valuation Date or Averaging Date, as applicable, relating to such Fund Interest, the value of such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date or, if the related Reference Fund reports only its aggregate net asset value, the portion of such Reference Fund's aggregate net asset value relating to such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date, in each case as reported on the related Fund Reporting Date by (i) the Fund Service Provider that generally reports such value on behalf of the Reference Fund to its investors or a publishing service (ii) the Fund Administrator or (iii) any other relevant entity, as determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner), unless otherwise specified in the applicable Final Terms.

"Scheduled Observation Date" means the date specified as a Scheduled Observation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be deemed to be, (a) in the case of N&C Securities a Valuation Date for the purposes of determining any Maturity Date Extension pursuant to Fund Linked Condition 1 and/or the consequences of any such day not being a Fund Business Day or a Currency Business Day and (b) in the case of Warrants, a Valuation Date for the purposes of determining a Settlement Date Extension pursuant to Fund Linked Condition 2 and/or the consequences of any such day not being a Fund Business Day or a Currency Business Day.

"Settlement Price" means, in relation to a Valuation Date or Averaging Date, as the case may be, in respect of a Fund Interest, the price per related Fund Interest Unit determined by the Calculation Agent either as provided in the applicable Final Terms, or otherwise either:

- (i) in respect of any Fund Interest to which the Reported Value Method is applicable, the Settlement Price shall be the Reported Fund Interest Value per related Fund Interest Unit determined in relation to the Valuation Date or Averaging Date, as the case may be *provided that* the Calculation Agent may in its sole and absolute discretion

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(or, in the case of Italian Securities, in good faith and in a reasonable manner): (A) adjust the Reported Fund Interest Value to reflect, without duplication, the relevant portion per Fund Interest Unit of: (x) such fees and costs as would be charged to the Hypothetical Investor pursuant to the Fund Documents, (y) such other fees as are specified as 'Redemption Fees' in the applicable Final Terms, and (z) the Redemption Proceeds relating to such Fund Interest Unit, in each case in connection with a deemed redemption as of the relevant Valuation Date or Averaging Date, as the case may be, of all Fund Interest Units that are subject to valuation; and (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonable result, it may elect that Deemed Payout Method shall apply; and

- (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, the Settlement Price per Fund Interest Unit in respect of a Valuation Date or Averaging Date, as the case may be, shall be an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that would be received by the Hypothetical Investor in such Fund Interest in connection with a redemption of all Fund Interest Units that are subject to valuation during the relevant Cut-off Period in relation to such Valuation Date or Averaging Date, as the case may be.

"Subscription Notice Date" means, with respect to any Fund Interest and any Reference Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no such date is specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Reference Fund and be considered effective as of such Reference Fund Subscription Date. If the applicable Final Terms does not specify a Subscription Notice Date or a Reference Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Trade Date.

"Trade Date" means the date as specified in the applicable Final Terms.

"Valuation Date" means (i) in respect of any Fund Interest to which Reported Value Method is applicable, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Fund Business Day, the next following Fund Business Day); and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, each date specified as such or otherwise determined as provided in the applicable Final Terms (or, if such date is not a Currency Business Day, the next following Currency Business Day).

(d) Other Definitions applicable to Valuation

"Fund Reporting Date" means, with respect to any Fund Interest and Fund Valuation Date, the date on which the Reported Fund Interest Value of such Fund Interest, as determined as of such Fund Valuation Date, is reported or published.

"Redemption Valuation Date" means, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) would determine the net asset value of such Fund Interest for purposes of calculating the Redemption Proceeds to be paid to a Hypothetical Investor that had submitted a valid notice for redemption on or before the related Redemption Notice Date.

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

"Scheduled Redemption Payment Date" means the date specified as such in the applicable Final Terms or if no date is so specified, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date by which the related Reference Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

"Scheduled Redemption Valuation Date" means, with respect to any Fund Interest, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund

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Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms, or if no such date is specified, the Scheduled Redemption Valuation Date occurring (i) if the Reported Value Method is applicable, on such Valuation Date or Averaging Date, as the case may be, or if no Scheduled Redemption Valuation Date is occurring on such Valuation Date or Averaging Date, the immediately preceding Scheduled Redemption Valuation Date, or (ii) if Deemed Payout Method is applicable, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

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

"Settlement Cycle" means the period specified as such in the applicable Final Terms, or, if no period is so specified, (i) in respect of any Fund Interest to which Reported Value Method is applicable, the period of Currency Business Days from, and including, any Scheduled Redemption Valuation Date to, and including, the related Scheduled Redemption Payment Date, and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, two (2) Currency Business Days.

"Valid Date" means: (i) in respect of Fund Interests to which Reported Value Method is applicable, a Fund Business Day; and (ii) in respect of Fund Interests to which Deemed Payout Method is applicable, a Currency Business Day, in each case that is not a Fund Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

"Valuation Time" means the time specified as such in the applicable Final Terms or, if no such time is specified, (i) in respect of a Fund Interest to which Reported Value Method is applicable, the time as of which the Reported Fund Interest Value is determined, and (ii) in respect of a Fund Interest to which Deemed Payout Method is applicable, the close of business in the Hypothetical Investor Jurisdiction on the relevant Valuation Date or Averaging Date, as the case may be.

(e) Other Definitions, including Definitions applicable to Disruption

"Additional Extraordinary Fund Event" means any event specified as such in the applicable Final Terms and each event specified in Fund Linked Condition 7.1(a) if such Fund Linked Condition applies. The Calculation Agent shall make all determinations in respect of Additional Extraordinary Fund Events, including decisions as to materiality, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"Adviser Resignation Event" means, in respect of any Reference Fund, (i) the resignation, termination, or replacement of a Fund Adviser, any Fund Service Provider or (ii) the resignation, replacement or death of any Key Person or cessation or termination of any Key Person's appointment by or employment with the Reference Fund or any relevant entity in relation to the Reference Fund, in each case unless immediately replaced by another adviser or service provider acceptable to the Calculation Agent.

"Change in Law" means that, on or after the Trade Date, (i) due to the adoption of or any change in any applicable law or regulation, including without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it has become illegal for the Hedging Party to hold, acquire or dispose of Fund Interests; or (B) the Hedging Party will incur a materially increased cost in performing its obligations in respect of hedging arrangements in relation to the Securities (including without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

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"De-Listing" means, in respect of any Fund Interest Units which are listed on any stock exchange (an **"Exchange"**), the relevant Exchange announces that pursuant to the rules of such Exchange, such Fund Interests Units cease (or will cease) to be listed, traded or publicly quoted on that Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as that Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Extraordinary Dividend" means an amount per relevant Fund Interest Unit or other amount of Fund Interest which the Calculation Agent determines appropriate to characterise as an extraordinary dividend.

"Extraordinary Fund Event" means, Nationalisation, Insolvency, Fund Insolvency Event, Adviser Resignation Event, Strategy Breach, Reporting Disruption, Change in Law, Fund Modification, Fund Hedging Disruption, Increased Cost of Hedging, Regulatory Action, Fund Disruption Event, Fund Adviser Event, Fund Service Provider Event, Fund Administrator Disruption, Holding Ratio Change, Merger Event, De-Listing, NAV Trigger Event, Notice Period Extension, Related Agreement Termination and/or any other event which, in the sole and absolute discretion of (or, in the case of Italian Securities, as determined in good faith and in a reasonable manner by) the Calculation Agent, has an analogous effect to any of the events specified above. The Calculation Agent shall make all determinations, including decisions as to materiality, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"Fund Administrator Disruption" means any event or circumstances compromising the independence of a Fund Administrator from the relevant Fund Adviser.

"Fund Adviser Event" means that the Calculation Agent determines that over a period of twelve (12) months, the total value of the assets managed by the Fund Adviser (including in relation to the Reference Fund) has decreased by fifty per cent. (50%) (either due to redemptions or decrease in the value of such assets or otherwise).

"Fund Disrupted Day" means any day on which a Fund Disruption Event has occurred or is continuing.

"Fund Disruption Event" means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest, the occurrence or existence of a Fund Valuation Disruption or a Fund Settlement Disruption.

"Fund Hedging Disruption" means, with respect to a Fund Linked Security, that the Hedging Party is unable, or it is impractical for the Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Interest of entering into and performing its obligations with respect to such Fund Linked Security, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the relevant Reference Fund on any investor's ability to redeem the Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of such Fund Interest imposed by the relevant Reference Fund (in each case other than any restriction in existence on the date on which such Fund Interest was first included as a Fund Interest in relation to the Securities).

"Fund Insolvency Event" means any Fund Interest or related Reference Fund or any Fund Service Provider, as applicable, (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), (ii) makes a general assignment or arrangement with or for the benefit of the creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any other similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or other similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation and such proceeding or petition is instituted or presented by a person or entity not described in (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation

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

"Fund Modification" means any change or modification of the related Fund Documents that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof (in each case as determined by the Calculation Agent) from those prevailing on the date the relevant Fund Interest was first included as a Fund Interest in relation to the Securities.

"Fund Service Provider Event" means (i) a change of control or indirect control of any Fund Service Provider or (ii) in the reasonable opinion of the Calculation Agent, a Fund Service Provider is no longer able to carry out its business with the standard of care which was prevailing as of the Trade Date. For the purpose of this definition, **"control"** has the same meaning as in the definition of "Affiliate" in N&C Security Condition 7.13 (in the case of N&C Securities) or in Warrant Condition 6.3 (in the case of Warrants).

"Fund Settlement Disruption" means, in respect of a Fund Interest and any day, a failure by the Reference Fund to pay all or part of the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests).

"Fund Valuation Disruption" means the failure of a Valuation Date or Averaging Date, as applicable, to be a valuation date in respect of the Fund Interest or any continued postponement of such valuation date.

"Hedging Party" means at any relevant time, the Issuer or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Securities as the Issuer may select at such time.

"Holding Ratio Change" means the reduction of the Reference Fund's aggregate net asset value under an amount that, in the determination of the Calculation Agent, has, or is likely to have, a material adverse effect on the performance or management of the Reference Fund or would increase the proportion of the Fund Interest Units held, or likely to be held, by the Hedging Party, to the extent that the full redemption of the Fund Interest Units held by the Hedging Party is likely to be delayed or become subject to "gating" by the Reference Fund.

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest of entering into and performing its obligations with respect to hedging arrangements in relation to the Securities; or (ii) realise, recover, 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 Hedging Party shall not be deemed an Increased Cost of Hedging.

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

"Key Person" means, in relation to a Reference Fund, each person specified as such in the applicable Final Terms.

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

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"Merger Event" means, in respect of any relevant Fund Interest Units, or Reference Fund (as applicable), any:

- (i) reclassification or change of such Fund Interest Units that results in a transfer of or an irrevocable commitment to transfer all of such Fund Interest Units outstanding to another entity or person;
- (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Reference Fund with or into another entity or person;
- (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. (100%) of the outstanding Fund Interest Units of the relevant Reference Fund that results in a transfer of or an irrevocable commitment to transfer all such Fund Interest Units (other than such Fund Interest Units owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the Reference Fund or its subsidiaries, as the case may be, with or into another entity in which the Reference Fund is the continuing entity and which does not result in a reclassification or change of all such Fund Interest Units outstanding but results in the outstanding Fund Interest Units (other than Fund Interest Units owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. (50%) of the outstanding Fund Interest Units immediately following such event,

in each case if the Merger Date is on or before the last occurring Valuation Date and/or last occurring Averaging Date.

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

"NAV Trigger Event" means, in respect of any Fund Interest, that (i) the Reported Fund Interest Value has decreased by 30.00 per cent. or more since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date, or (ii) the related Reference Fund has violated any leverage restriction that is applicable to, or affecting, such Reference Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Reference Fund or any of its assets.

"Notice Period Extension" means, in respect of any Reference Fund, any increase in the notice period in respect of subscription for, or redemption of Fund Interest Units or a decrease in the frequency with which Fund Interest Units can be redeemed or subscribed for.

"Potential Adjustment Event" means any of the following:

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

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- (iv) a repurchase by the Reference Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents; or
- (v) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest.

"Regulatory Action" means, with respect to any Fund Interest:

- (i) any cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Reference Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Reference Fund;
- (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Reference Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Calculation Agent); or
- (iii) the related Reference Fund or any of its Fund Administrator or Fund Adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund, Fund Administrator or Fund Adviser.

"Related Agreement" means any existing agreement or arrangement relating to (i) hedging arrangements in connection with the Securities, or (ii) any other arrangements the Reference Fund or any Fund Service Provider has with the Issuer and/or Hedging Party and any such agreement or arrangement may relate to, without limitation, dealing fees, liquidity or licensing.

"Related Agreement Termination" means the Reference Fund or any Fund Service Provider in respect of such Reference Fund is in breach of or has terminated any Related Agreement.

"Removal Date" means, in respect of an Affected Fund Interest, the date on which the Calculation Agent determines that a Hypothetical Investor would receive the Removal Value in respect of a redemption or realisation of such Affected Fund Interest (including any related non-monetary assets as referred to in the definition of Removal Value) effected as soon as reasonably practicable following the occurrence of the relevant Extraordinary Fund Event or Additional Extraordinary Fund Event, as applicable.

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

"Reporting Disruption" means, in respect of any Fund Interest, (i) occurrence of any event affecting such Fund Interest that, in the sole and absolute determination of (or, in the case of Italian Securities, as determined in good faith and in a reasonable manner by) the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest for the purposes of and at such time as the Calculation Agent is required to make such determination under the Securities (ii) any failure of the related Reference Fund to deliver, or cause to be delivered, (A) information that such Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Reference Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary for it to monitor such Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests.

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"**Strategy Breach**" means any breach or violation of any strategy or investment guidelines stated in the related Fund Documents or any Related Agreement or otherwise published or notified by or on behalf of the Reference Fund or Fund Adviser, that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent).

7. EXCHANGE TRADED FUNDS (ETFs)

7.1 If "Exchange Traded Fund Provisions" are specified in the applicable Final Terms as being applicable, the following Additional Extraordinary Fund Events (each such term below as defined in the Equity Index Technical Annex containing Equity Index Linked Conditions for use in connection with Equity Index Linked Securities (the "**Equity Index Technical Annex**")) shall apply to the Securities, subject as set out in Fund Linked Condition 7.2 below:

- (a) Additional Disruption Event;
- (b) Index Cancellation;
- (c) Index Disruption;
- (d) Index Modification; and
- (e) the occurrence of a Disrupted Day.

7.2 For the purpose of the deemed inclusion in these Fund Linked Conditions of the defined terms from the Equity Index Technical Annex set out in Fund Linked Condition 7.1 above, such terms shall be construed in accordance with the Equity Index Technical Annex, save that (i) the terms Valuation Date, Averaging Date, Calculation Agent, Trade Date, Affiliate, Guarantor, Guarantee and Securities shall have the meanings given in the N&C Security Conditions or the Warrant Conditions, as the case may be, the applicable Final Terms and these Fund Linked Conditions and the term Relevant Time shall mean the Scheduled Closing Time as defined in the Equity Index Technical Annex, (ii) for the purposes of the definition of Market Disruption Event, the Securities will be deemed to be Securities relating to a single Index and the Calculation Agent shall determine whether the Index (as defined below) is a Composite Index, (iii) for the purposes of the definition of Related Exchange, "All Exchanges" shall be deemed to be specified in the applicable Final Terms, and (iv) the following terms shall have the meaning set out below:

"**Component Security**" means each and any component security of any Index.

"**Index**" means, subject to adjustment in accordance with these Fund Linked Conditions, the Underlying Index specified in the applicable Final Terms or any Successor Index and related expressions shall be construed accordingly.

"**Index Sponsor**" means, subject to adjustment in accordance with these Fund Linked Conditions, the Underlying Index Sponsor specified in the applicable Final Terms or any Successor Sponsor.

"**Initial Stock Loan Rate**" means, in respect of a Component Security comprised in an Index, the rate which the Hedging Party would have incurred to borrow such Component Security on any Relevant Market as of the Trade Date, as determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"**Hedging Party**" means the Issuer or any Affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer in any underlying or hedging transactions relating to an Index and/or the Fund Interest in respect of the Issuer's obligations under the Securities.

"**Hedging Shares**" means the number of Component Securities comprised in an Index that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities.

"**Maximum Stock Loan Rate**" means, in respect of a Component Security comprised in an Index, the lowest rate which the Hedging Party, after using commercially reasonable efforts, would have incurred to borrow such Component Security

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on any Relevant Market, in an amount equal to the Hedging Shares, as of the Trade Date, as determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner).

"Relevant Market" means, for the purpose of determining any value or other amount pursuant to these Fund Linked Conditions, any relevant quotation system, exchange, dealing system, screen page, over-the-counter derivatives or other market which the Calculation Agent determines appropriate for such purpose and which it may select taking into account hedging arrangements of the Issuer and/or its Affiliates for the Securities.

"Successor Index" means, in the event that the Index is:

- (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (a **"Successor Sponsor"**) acceptable to the Calculation Agent; or
- (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then in each case that index will be deemed to be a Successor Index.

- 7.3 The Securities are not sponsored, endorsed, sold or promoted by any Index or any Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer (or, if applicable, the Guarantor) shall have no liability to the Securityholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer (or, if applicable, the Guarantor) nor its Affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

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CREDIT TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR CREDIT LINKED N&C SECURITIES

The terms and conditions applicable to Credit Linked N&C Securities shall comprise the General Terms and Conditions of the N&C Securities (the "N&C Security Conditions"), the additional Terms and Conditions set out below (the "Credit Linked Conditions") and the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with the N&C Security Conditions and the Credit Linked Conditions, the "Conditions"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions and the Credit Linked Conditions, the Credit Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions and/or the Credit Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. Where Restructuring is specified in the applicable Final Terms as being an applicable Credit Event and Credit Linked Condition 15 (Credit Event Notice after Restructuring Credit Event) is applicable, there may be more than one Credit Event Determination Date in respect of the same Reference Entity as further described in Credit Linked Condition 15 (Credit Event Notice after Restructuring Credit Event) below. In addition, in the case of a Portfolio Credit Linked N&C Security or a Portfolio Maturity Settled Credit Linked N&C Security, there may be multiple Credit Event Determination Dates, but, other than as set out in the preceding sentence, only one Credit Event Determination Date in respect of each Reference Entity. A Credit Event Determination Date in respect of more than one Reference Entity may occur on any one date. For the avoidance of doubt, the provisions set out in these Credit Linked Conditions set out the mechanics that apply in respect of one Reference Entity and where applicable, shall apply severally to each Reference Entity for a Portfolio Credit Linked N&C Security or a Portfolio Maturity Settled Credit Linked N&C Security. References below to a numbered N&C Security Condition are to such numbered section of the N&C Security Conditions and references to a numbered Credit Linked Condition are to such numbered section as set out in this Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Valuation Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Credit Linked N&C Securities.

Unless otherwise stated in these Credit Linked Conditions or in the applicable Final Terms, in the event that any day specified in the "Credit Linked Redemption N&C Securities" section of the applicable Final Terms or the last day of any period calculated by reference to calendar days falls on a day that is not a Business Day, such day or last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

For the avoidance of doubt, the Credit Linked Conditions shall not apply to Warrants.

1. REDEMPTION OF CREDIT LINKED N&C SECURITIES

Unless previously redeemed in whole or purchased and cancelled and subject to the provisions of this Technical Annex, each nominal amount of N&C Securities equal to the Calculation Amount will be redeemed by the Issuer at its Outstanding Redemption Amount (which may be zero) on the Maturity Date.

For the purposes of Credit Linked N&C Securities, "**Maturity Date**" means the latest to occur of:

- (i) the Scheduled Maturity Date;
- (ii) the last Credit Event Redemption Date capable of occurring;
- (iii) the last Physical Settlement Date or Final Delivery Date capable of occurring;
- (iv) the last Partial Cash Settlement Date capable of occurring;
- (v) the fifth (5th) Business Day following the last Repudiation/Moratorium Evaluation Date capable of occurring;
- (vi) the last Grace Period Extension Date capable of occurring;
- (vii) the fifth (5th) Business Day following the last DC Cut-off Date capable of occurring; and

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(viii) the last Postponed Maturity Date capable of occurring.

If Conditions to Settlement are satisfied then (subject as provided in Credit Linked Condition 4 (Auction Settlement) and Credit Linked Condition 23 (Variation of Settlement)) (i) if Cash Settlement is specified in the applicable Final Terms, the provisions of Credit Linked Condition 2 (Cash Settlement) shall apply, (ii) if Physical Delivery is specified in the applicable Final Terms, the provisions of Credit Linked Condition 3 (Physical Settlement) shall apply or (iii) if Auction Settlement is specified in the applicable Final Terms, the provisions of Credit Linked Condition 4 (Auction Settlement) shall apply, in each case, in respect of the relevant Credit Event.

2. CASH SETTLEMENT

Subject as provided in these Credit Linked Conditions, if Conditions to Settlement are satisfied and (i) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms or (ii) Credit Linked Condition 4(A) below applies, the Issuer shall give notice (such notice a "**Cash Settlement Notice**") to the Securityholders in accordance with N&C Security Condition 14 (Notices) such notice to include the details of the relevant Reference Entity, and:

- (a) in respect of N&C Securities which are not Portfolio Maturity Settled Credit Linked N&C Securities, redeem the Credit Event Portion of all but not some only of the N&C Securities and pay in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount, the Credit Event Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Credit Event Redemption Date; or
- (b) in respect of N&C Securities which are Portfolio Maturity Settled Credit Linked N&C Securities, redeem the aggregate of all Credit Event Portions (determined to and including the Maturity Date) of all but not some only of the N&C Securities and pay in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount, an amount equal to the aggregate of all Credit Event Redemption Amounts (determined to and including the Maturity Date) specified in, or determined in the manner specified in the applicable Final Terms on the Maturity Date.

For the avoidance of doubt settlement in accordance with this Credit Linked Condition 2 (as provided above) shall occur upon satisfaction of the Conditions to Settlement notwithstanding that the related Cash Settlement Notice may be given later, and in some cases significantly later, than the Credit Event Determination Date.

Unless (i) otherwise stated in the applicable Final Terms or (ii) the Securities are Portfolio Credit Linked N&C Securities or Portfolio Maturity Settled Credit Linked N&C Securities, subject as provided in these Credit Linked Conditions if (a) First to Default is specified as applicable in the applicable Final Terms and (b) more than one Reference Entity is specified in the applicable Final Terms, a Credit Event Determination Date may only occur and a Cash Settlement Notice may only be delivered on one occasion. If Conditions to Settlement are satisfied in respect of more than one Reference Entity on the same date other than in the case of Portfolio Credit Linked N&C Securities or Portfolio Maturity Settled Credit Linked N&C Securities, the Calculation Agent shall determine which Reference Entity is the Reference Entity in respect of which a Credit Event Determination Date shall occur.

If the N&C Securities are partially redeemed, each relevant N&C Security or, if the N&C Securities are represented by a Global N&C Security, such Global N&C Security, shall be endorsed to reflect such part redemption. If the Calculation Agent, at any time, determines that the aggregate nominal amount of the N&C Securities is thereby reduced to zero, the Issuer's obligations in respect of such N&C Securities shall immediately be discharged and the Issuer shall have no further liability in respect thereof.

If Conditions to Settlement are satisfied and the N&C Securities become redeemable in whole or in part in accordance with this Credit Linked Condition 2, upon payment of the Credit Event Redemption Amount(s) in respect of the N&C Securities, the Issuer shall have discharged its obligations in respect of the relevant Credit Event Portion of the N&C Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a N&C Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer or the Guarantor.

3. PHYSICAL SETTLEMENT

Subject as provided in these Credit Linked Conditions, if Conditions to Settlement are satisfied and (i) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms or (ii) Credit Linked Condition 4(B) below applies, the Issuer shall, following receipt of a Calculation Agent Physical Settlement Notice, give notice (such notice a "**Notice of Physical Settlement**") to the Securityholders, in accordance with N&C Security Condition 14 (Notices), such notice to include the details of the relevant Reference Entity, and redeem the Credit Event Portion of all but not some only of the N&C Securities and Deliver in respect of each unit or nominal amount of N&C Securities equal to the Calculation Amount, the Deliverable Obligations comprising the Asset Amount on the Physical Settlement Date, subject to and in accordance with Credit Linked Conditions 9 (Maturity Date Extension) and 10 (Physical Delivery).

If the N&C Securities are partially redeemed, each relevant N&C Security or, if the N&C Securities are represented by a Global N&C Security, such Global N&C Security, shall be endorsed to reflect such part redemption. If the Calculation Agent, at any time, determines that the aggregate nominal amount of the N&C Securities is thereby reduced to zero, the Issuer's obligations in respect of such N&C Securities shall immediately be discharged and the Issuer shall have no further liability in respect thereof.

For the avoidance of doubt settlement in accordance with this Credit Linked Condition 3 (as provided above) shall occur upon satisfaction of the Conditions to Settlement notwithstanding that the related Notice of Physical Settlement may be given later, and in some cases significantly later, than the Credit Event Determination Date.

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

The Issuer may, from time to time, amend a Notice of Physical Settlement by delivering a notice to Securityholders in accordance with N&C Security Condition 14 (Notices) (each such notification, a "**Physical Settlement Amendment Notice**") that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date of such Physical Settlement Amendment Notice). A Physical Settlement Amendment Notice shall specify each replacement Deliverable Obligation that the Issuer will, subject to Credit Linked Condition 10 (Physical Delivery), Deliver (each, a "**Replacement Deliverable Obligation**") and shall also specify the Outstanding Principal Balance or Due and Payable Amount (determined on the same basis as in the definition of Asset Amount) of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior Physical Settlement Amendment Notice, as applicable, that is being replaced or the equivalent Currency Amount of any such amount (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Replacement Deliverable Obligation(s), taken together, shall have an aggregate Replaced Deliverable Obligation Outstanding Amount at least equal to the Outstanding Principal Balance(s) and/or Due and Payable Amount(s) (or the equivalent Currency Amount(s) of any such amount(s)) of the Deliverable Obligations being replaced. Each such Physical Settlement Amendment Notice must be delivered on or prior to the Physical Settlement Date (determined without reference to any change resulting from such Physical Settlement Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies contained in the Notice of Physical Settlement or any Physical Settlement Amendment Notice, as applicable, by notice to Securityholders (in accordance with N&C Security Condition 14 (Notices) prior to the relevant Delivery Date; it being understood that such notice of correction shall not constitute a Physical Settlement Amendment Notice.

If "Restructuring Maturity Limitation and Fully Transferable Obligation" is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applying in the applicable Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

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If Conditions to Settlement are satisfied and the N&C Securities become redeemable in whole or in part in accordance with this Credit Linked Condition 3, upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Partial Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the relevant Credit Event Portion of the N&C Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Partial Cash Settlement Amount may be less than the Calculation Amount of a N&C Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer or the Guarantor.

4. AUCTION SETTLEMENT

If Conditions to Settlement are satisfied and Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and a Credit Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Issuer shall give notice (such notice an "Auction Settlement Notice") to the Securityholders in accordance with N&C Security Condition 14 (Notices) and, subject to any adjustment in accordance with Credit Linked Condition 15 (Credit Event Notice after Restructuring Credit Event), redeem the Credit Event Portion of all but not some only of the N&C Securities, each such Credit Event Portion of each N&C Security equal to the Calculation Amount being redeemed at the Credit Event Redemption Amount determined in the manner specified in the applicable Final Terms on the Credit Event Redemption Date.

Unless settlement has occurred in accordance with the paragraph above, if:

- (i) an Auction Cancellation Date occurs;
- (ii) a No Auction Announcement Date occurs (and in circumstances where such No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option);
- (iii) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date;
- (iv) a Credit Event Determination Date was determined pursuant to paragraph (a) of the definition of Credit Event Determination Date and no Credit Event Resolution Request Date has occurred on or prior to the date falling three (3) Business Days after such Credit Event Determination Date; or
- (v) a Credit Event Determination Date was determined pursuant to paragraph (b)(ii)(A) or (b)(ii)(B) of the definition of Credit Event Determination Date,

then:

- (A) if Fallback Settlement Method – Cash Settlement is specified as applicable in the applicable Final Terms, the Issuer shall redeem the relevant Credit Event Portion(s) of the N&C Securities in accordance with Credit Linked Condition 2 above; or
- (B) if Fallback Settlement Method – Physical Delivery is specified as applicable in the applicable Final Terms, the Issuer shall redeem the relevant Credit Event Portion(s) of the N&C Securities in accordance with Credit Linked Condition 3 above.

If Conditions to Settlement are satisfied and the N&C Securities become redeemable in whole or in part in accordance with this Credit Linked Condition 4, upon payment of the Credit Event Redemption Amount(s) in respect of the N&C Securities, the Issuer shall have discharged its obligations in respect of the relevant Credit Event Portion of the N&C Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the Calculation Amount of a N&C Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer or the Guarantor.

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5. INTEREST

Subject as provided below each of the N&C Securities will bear interest pursuant to and in accordance with N&C Security Condition 5 (Interest), provided that (i) for the purposes of determining the interest amounts in respect of Portfolio Credit Linked N&C Securities and Portfolio Maturity Settled Credit Linked N&C Securities, the aggregate outstanding nominal amount of the N&C Securities shall be deemed to be the Weighted Average Outstanding Redemption Amount on the relevant Interest Payment Date and (ii) in the case of interest bearing N&C Securities other than Portfolio Credit Linked N&C Securities or Portfolio Maturity Settled Credit Linked N&C Securities, if Conditions to Settlement are satisfied, then (x) if "Accrual of Interest upon a Credit Event" is specified as Not Applicable in the applicable Final Terms, each N&C Security shall cease to bear interest from the Interest Payment Date immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date is an Interest Payment Date such Interest Payment Date (but the Issuer shall only be obliged to make payment of such interest on the Credit Event Redemption Date or Physical Settlement Date, as applicable, and no further amount shall be payable in respect of any such delay) or, if the Credit Event Determination Date falls prior to the first Interest Payment Date, no interest shall accrue on the N&C Securities; or (y) if "Accrual of Interest upon a Credit Event" is specified as being Applicable in the applicable Final Terms, each N&C Security shall cease to bear interest from the Credit Event Determination Date. For the avoidance of doubt the above provisions are subject to adjustment in certain circumstances as provided in these Credit Linked Conditions and including the final paragraph of the definition of Credit Event Determination Date in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities).

For the purposes of this Credit Linked Condition 5:

"Weighted Average Outstanding Redemption Amount" means, on any Interest Payment Date, the quotient of (a) the sum of the Outstanding Redemption Amount determined in respect of each day in the immediately preceding Interest Period or Fixed Rate N&C Security Interest Period, as applicable (provided that for the purposes of this Credit Linked Condition 5 only, the Outstanding Redemption Amount shall be deemed to be reduced by each Credit Event Portion on the related Credit Event Determination Date, rather than the related Credit Event Redemption Date in respect of a Portfolio Credit Linked N&C Security or the date on which the Final Price or Auction Final Price, as applicable, is calculated in respect of a Portfolio Maturity Settled Credit Linked N&C Security) (as numerator) and (b) the actual number of days in such Interest Period or Fixed Rate N&C Security Interest Period, as applicable (as denominator).

6. REPUDIATION/MORATORIUM EXTENSION

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this Credit Linked Condition 6 shall apply.

Where (i) Conditions to Settlement in respect of a Reference Entity have not been satisfied on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) and (ii) the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 9 (Maturity Date Extension) applies, the Postponed Maturity Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will, in the determination of the Calculation Agent, fall after the Scheduled Maturity Date, then the Calculation Agent shall notify the Securityholders in accordance with N&C Security Condition 14 (Notices) that a Potential Repudiation/Moratorium has occurred, giving details of the relevant Reference Entity and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:
 - (A) Credit Linked Condition 1 (Redemption of Credit Linked N&C Securities) shall apply; and
 - (B) in the case of interest bearing N&C Securities only, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

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- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/ Moratorium Evaluation Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2 (Cash Settlement), Credit Linked Condition 3 (Physical Settlement) or Credit Linked Condition 4 (Auction Settlement), as applicable, shall apply to the relevant Credit Event Portion of the N&C Securities.

7. GRACE PERIOD EXTENSION

If "Grace Period Extension" is specified as applying in the applicable Final Terms, the provisions of this Credit Linked Condition 7 shall apply.

Where (i) Conditions to Settlement in respect of a Reference Entity have not been satisfied on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) and (ii) in the determination of the Calculation Agent, a Potential Failure to Pay has occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
 - (A) Credit Linked Condition 1 (Redemption of Credit Linked N&C Securities) shall apply; and
 - (B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date (or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2 (Cash Settlement), Credit Linked Condition 3 (Physical Settlement) or Credit Linked Condition 4 (Auction Settlement), as applicable, shall apply to the relevant Credit Event Portion of the N&C Securities.

8. CREDIT DERIVATIVES DETERMINATIONS COMMITTEE EXTENSION

If, in the determination of the Calculation Agent, a Potential Credit Event has occurred and the Credit Derivatives Determinations Committee has not made its determination on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) then the Calculation Agent shall notify Securityholders in accordance with N&C Security Condition 14 (Notices) that the Maturity Date has been postponed to a date (the "**DC Cut-off Date**") being the earliest of: (i) fifteen (15) Business Days following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has occurred; (ii) the second business day following the date on which the Credit Derivatives Determinations Committee Resolves that a Credit Event has not occurred and (iii) fifteen (15) Business Days following the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine whether a Credit Event has occurred and:

- (i) where a Credit Event has not occurred on or prior to the DC Cut-off Date:
 - (A) Credit Linked Condition 1 (Redemption of Credit Linked N&C Securities) shall apply; and
 - (B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or if none the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth (5th) Business Day following the DC Cut-off Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or

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- (ii) where a Credit Event has occurred on or prior to the DC Cut-off Date and Conditions to Settlement are satisfied, the provisions of Credit Linked Condition 2 (Cash Settlement), Credit Linked Condition 3 (Physical Settlement), or Credit Linked Condition 4 (Auction Settlement), as applicable, shall apply to the relevant Credit Event Portion of the N&C Securities.

9. MATURITY DATE EXTENSION

Without prejudice to Credit Linked Condition 12 (Settlement Suspension), if:

- (x) on or prior to (A) the Scheduled Maturity Date or, (B), if applicable, the Repudiation/Moratorium Evaluation Date, (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, or (D) if applicable, the DC Cut-off Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (y) on or prior to the Scheduled Maturity Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent may at its option notify the Securityholders in accordance with N&C Security Condition 14 (Notices) that the Maturity Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date or the DC Cut-off Date, as the case may be, has been postponed to a date (such date the "**Postponed Maturity Date**") specified in such notice falling on the fifth (5th) Business Day immediately following the fourteenth (14th) calendar day after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date or the DC Cut-off Date, as the case may be, or if such day is not a Business Day the immediately succeeding Business Day, and:

where:

- (i) in the case of Credit Linked Condition 9(x), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date or, in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity Date:
 - (A) Credit Linked Condition 1 (Redemption of Credit Linked N&C Securities) shall apply; and
 - (B) in the case of interest bearing N&C Securities, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii)
 - (A) in the case of Credit Linked Condition 9(x), Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 2 (Cash Settlement), Credit Linked Condition 3 (Physical Settlement) or Credit Linked Condition 4 (Auction Settlement) as applicable shall apply to the relevant Credit Event Portion of the N&C Securities; or
 - (B) in the case of Credit Linked Condition 9(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity Date, the provisions of Credit Linked Condition 6 (Repudiation/Moratorium Extension) shall apply to the relevant Credit Event Portion of the N&C Securities.

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10. PHYSICAL DELIVERY

(a) If any Credit Event Portion of a Credit Linked N&C Security, other than a Credit Linked N&C Security represented by a Rule 144A Global N&C Security, is to be redeemed by delivery of the Asset Amount(s), in order to obtain delivery of the Asset Amount(s) in respect of any Credit Event Portion of a N&C Security:

- (X) if such N&C Security is represented by a Global N&C Security, the relevant Securityholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Principal Paying Agent and the Calculation Agent no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice in the form set out in the Agency Agreement; and
- (Y) if such N&C Security is in definitive form, the relevant Securityholder must deliver (i) if this N&C Security is a Bearer N&C Security, to any Paying Agent or (ii) if this N&C Security is a Definitive Registered N&C Security, to the Registrar or any Paying Agent, in each case, with a copy to the Principal Paying Agent no later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice, a copy of which may be obtained from the Calculation Agent.

An Asset Transfer Notice may only be delivered (i) if such N&C Security is represented by a Global N&C Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such N&C Security is in definitive form, in writing.

If this N&C Security is in definitive form, this N&C Security must be delivered together with the duly completed Asset Transfer Notice.

The Asset Transfer Notice shall:

- (i) specify the name, address and contact telephone number of the relevant Securityholder and the person from whom the Issuer may obtain details for the Delivery of the Asset Amount;
- (ii) specify the series number of the N&C Securities and the number of N&C Securities which are the subject of such notice;
- (iii) in the case of N&C Securities represented by a Global N&C Security, specify the nominal amount or, in the case of N&C Securities issued in units, number of N&C Securities which are the subject of such notice and the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such N&C Securities and irrevocably instruct and authorise the relevant Clearance System to debit the relevant Securityholder's account with the Credit Event Portion of such N&C Securities on or before the Physical Settlement Date;
- (iv) include an undertaking to pay all Delivery Expenses (as defined below) and, in the case of N&C Securities represented by a Global N&C Security, an authority to debit a specified account of the Securityholder with Euroclear or Clearstream, Luxembourg, as the case may be in respect thereof and to pay such Delivery Expenses;
- (v) include such details as are required for Delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Securityholder's account to be credited with any cash payable by the Issuer;
- (vi) certify that the beneficial owner of each N&C Security is not a U.S. person (as defined in the Asset Transfer Notice), the N&C Security is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof;
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

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all as provided in the Agency Agreement.

(b) Notification of Deliverable Obligations

The Issuer shall give notice to Securityholders prior to the relevant Physical Settlement Date of the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

(c) Verification of the Securityholder

In the case of N&C Securities represented by a Global N&C Security, upon receipt of an Asset Transfer Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person Delivering the Asset Transfer Notice is the holder of the N&C Securities described therein according to its records. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Paying Agent the series number and number of N&C Securities the subject of such notice, the relevant account details and the details for the Delivery of the Asset Amount of each N&C Security. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Physical Settlement Date, debit the securities account of the relevant Securityholder with the Credit Event Portion of the relevant N&C Securities.

(d) Determinations and Delivery Expenses

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of N&C Securities represented by a Global N&C Security, by Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of N&C Securities in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, and shall be conclusive and binding on the Issuer, the Principal Paying Agent(s) and the relevant Securityholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Paying Agent immediately after being delivered or sent as provided in paragraph (a) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of, in the case of N&C Securities represented by a Global N&C Security, Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of N&C Securities in definitive form, by the relevant Paying Agent or the Registrar, as the case may be, in each case in consultation with the Principal Paying Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered as provided above.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearance System, the Registrar or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the N&C Securities which are the subject of such notice.

All costs, taxes, duties and/or expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other costs, duties or taxes which the Calculation Agent determines may be or would be, or would have been incurred (i) in connection with the redemption of the N&C Securities and/or the Delivery of the Asset Amount in respect of such N&C Securities and (ii) by the Issuer or any Affiliate had such entity unwound or varied any underlying related hedging arrangements in respect of the N&C Security ("**Delivery Expenses**") shall be for the account of the relevant N&C Securityholder and no Asset Amount will be Deliverable until the relevant Delivery Expenses have been met or otherwise accounted for to the satisfaction of the Issuer.

(e) Delivery

(i) Subject to:

- (A) an Asset Transfer Notice having been duly delivered as provided above on or prior to the Cut-Off Date;
- and

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- (B) all Delivery Expenses having been paid or otherwise accounted for to the satisfaction of the Issuer by the relevant Securityholder,

the Issuer shall, at the risk of the relevant Securityholder, Deliver or procure the Delivery of the Asset Amount for the Credit Event Portion of each N&C Security, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice on the Physical Settlement Date. Where the Asset Transfer Notice stipulates that the Asset Amount should be Delivered to a specified clearing system, the Issuer's or the Guarantor's obligation to Deliver such Asset Amount will be discharged by Delivery to, or to the order of, the relevant clearing system and each of the persons shown in the records of the relevant clearing system as the account holder must look solely to the relevant clearing system for his share of any Asset Amount so Delivered.

- (ii) If a Securityholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Paying Agent, on or prior to the Cut-Off Date, then:

(A) the Issuer may elect, in its sole discretion to Deliver or procure the Delivery of the aggregate Asset Amounts for the Credit Event Portion of all such affected N&C Securities, at the risk of the relevant Securityholder, to, or to the order of, the relevant Clearance System(s) in which the N&C Securities are held and its obligation to Deliver any such Asset Amount so Delivered shall be discharged thereby. Each of the persons shown in the records of the relevant Clearance System as the holder of a particular amount of the N&C Securities must look solely to the relevant Clearance System for his share of each such Asset Amount so Delivered to, or to the order of, such Clearance System. For the purposes of paragraph (iv) below, each Clearance System will be deemed to be a single Securityholder and each Clearance System will be requested to divide and deliver such Asset Amounts in accordance with its rules; or

(B) the Asset Amount(s) will be Delivered as soon as practicable after the scheduled Physical Settlement Date (in which case, such date of Delivery shall be deemed to be the Physical Settlement Date) at the risk of such Securityholder in the manner provided below, *Provided That* if, in respect of a N&C Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut Off Date, the obligations of the Issuer and the Guarantor in respect of such N&C Securities shall be discharged and neither the Issuer nor the Guarantor shall have any liability in respect thereof. For the avoidance of doubt, in such circumstances such Securityholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Physical Settlement Date falling after the date fixed for redemption and no liability in respect thereof shall attach to the Issuer.

- (iii) To the extent that the Issuer is not satisfied that the Delivery Expenses have been or will be paid in full by the relevant Securityholder on or prior to the relevant Physical Settlement Date, the Issuer may, in its sole discretion, elect to reduce the Asset Amount(s) to be Delivered to that Securityholder by an amount(s) which by market value (determined at the time of reduction by reference to such valuation sources as the Issuer determines appropriate) in aggregate is at least equal to the aggregate Delivery Expenses that it determines, in its sole discretion, have not been paid or otherwise accounted for (the Asset Amount as so reduced, the "**Reduced Asset Amount**"). Where the Issuer elects to make such a reduction, in accordance with this Credit Linked Condition 10(e)(iii) the Issuer's obligation to Deliver the Asset Amount(s) shall be discharged in full by Delivery of the Reduced Asset Amount(s) in accordance with the provisions of this Credit Linked Condition 10(e). The provisions of these Credit Linked Conditions shall apply *mutatis mutandis* to any such Delivery of the Reduced Asset Amount.

- (iv) For the purpose of determining the Asset Amounts in respect of the N&C Securities, N&C Securities held by the same Securityholder will be aggregated. The aggregate Asset Amount(s) to be delivered in respect of each such aggregated holding will be rounded down to the nearest whole unit of the relevant Deliverable Obligation (or, where there is more than one type of Deliverable Obligation, each of the Deliverable Obligations), as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Deliverable Obligation or of each of the Deliverable Obligations, as the case may be, will not be delivered but in lieu thereof

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the Issuer shall pay to the Securityholders in respect of their respective holding an additional amount in the Specified Currency equal to the fair market value of such fraction(s) in such manner as shall be determined by the Calculation Agent in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) and notified to Securityholders in accordance with N&C Security Condition 14 (Notices).

(f) **General**

After Delivery of an Asset Amount in respect of a N&C Security and for the Intervening Period, none of the Issuer, the Guarantor, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Asset Amount or (iii) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

(g) In relation to each Deliverable Obligation constituting any Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Physical Settlement Date provided that if all or some of the Deliverable Obligations included in the Asset Amount in respect of a N&C Security are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver or, if applicable, shall attempt to Deliver where possible all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the 65th Business Day following the Physical Settlement Date (the "**Final Delivery Date**"), provided further that if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date the provisions of Credit Linked Condition 11 (Partial Cash Settlement) shall apply.

(h) If any N&C Security represented by a Rule 144A Global N&C Security is to be redeemed (in whole or in part) by Delivery of an Asset Amount, the relevant provisions relating to such Delivery shall be set out in the applicable Final Terms.

11. PARTIAL CASH SETTLEMENT

If all or a portion of the obligations comprising the Asset Amount are Undeliverable Obligations and/or Hedge Disruption Obligations, the Issuer shall give notice (a "**Partial Cash Settlement Notice**") to the Securityholders in accordance with N&C Security Condition 14 (Notices) and the Issuer shall pay in respect of each Undeliverable Obligation and/or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice, the Issuer must give details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the applicable Final Terms, for the purposes of this Credit Linked Condition 11 the following terms shall be defined as follows:

"Full Quotation" means, in relation to any Undeliverable Obligation and in accordance with the Quotation Method, each firm quotation expressed as a percentage obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance equal to the Quotation Amount.

"Indicative Quotation" means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer's reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

"Market Value" means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations,

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disregarding the Full Quotations having the same highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applying in the applicable Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations have the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (b) of the definition of "Quotation" below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; (vii) if two or more Full Quotations or a Weighted Average Quotation are not obtained or (if applicable) fewer than three Indicative Quotations are obtained, the Market Value shall be determined as provided in paragraph (b) of the definition of "Quotation" below; and (viii) if the Quotations are deemed to be zero, the Market Value shall be zero.

"Partial Cash Settlement Amount" is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price or Auction Final Price, if applicable, with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less, (other than in the case of Italian SeDeX Securities), if applicable, (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

"Partial Cash Settlement Date" means, subject to Credit Linked Condition 12 (Settlement Suspension), the day falling five (5) Business Days after (i) the calculation of the Final Price or (ii) the Auction Final Price Determination Date, as applicable, in each case in respect of such Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

"Quotation" means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers, and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applying in the applicable Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applying in the applicable Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

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- (c) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.

"**Quotation Amount**" is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

"**Quotation Method**" is deemed to be Bid.

"**Reference Obligation**" is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

"**Valuation Method**" is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case "Valuation Method" is deemed to be Market.

"**Valuation Time**" is the time specified as such in the applicable Final Terms, or, if no time is so specified, 11:00 a.m. in the principal trading market for the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be.

"**Weighted Average Quotation**" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or the Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

12. SETTLEMENT SUSPENSION

- (a) Suspension

Without prejudice to Credit Linked Condition 9 (Maturity Date Extension) above, if, following the determination of a Credit Event Determination Date in accordance with sub-paragraph (a) of the definition of Credit Event Determination Date but prior to the relevant Physical Settlement Date or, to the extent applicable, a Valuation Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, the Calculation Agent may, at its option, determine that the applicable timing requirements of these Credit Linked Conditions and the definitions of Credit Event Redemption Date, Valuation Date, Physical Settlement Period, and any other provision in these Credit Linked Conditions as determined by the Calculation Agent shall toll and be suspended and remain suspended (such period of suspension, a "**Suspension Period**") until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (ii) not to determine such matters. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (A) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (B) not to determine such matters, the relevant timing requirements of these Credit Linked Conditions that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA.

In the event of any such Suspension Period, the Calculation Agent may make (x) such consequential or other adjustment(s) or determination(s) to or in relation to these Credit Linked Conditions as may be desirable or required either during or

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following any relevant Suspension Period to account for or reflect such suspension and (y) determine the effective date of such adjustment(s) or determination(s).

(b) Interest

In the case of interest bearing N&C Securities:

- (i) if a Suspension Period falls in any one or more Interest Period(s), then no interest (or any interest on any delayed payment of interest) shall accrue during each portion of an Interest Period during which a Suspension Period exists; and
- (ii) if an Interest Payment Date falls in a Suspension Period, such Interest Payment Date will be deferred until such date as determined by the Calculation Agent falling no earlier than the first Payment Date and no later than the fifth Payment Date following the end of the Suspension Period, all subject to the provisions of N&C Security Condition 5 (Interest) and Credit Linked Condition 6 (Repudiation/Moratorium Extension), Credit Linked Condition 7 (Grace Period Extension) and Credit Linked Condition 8 (Credit Derivatives Determinations Committee Extension).

13. REDEMPTION FOLLOWING A MERGER EVENT

Where "Merger Event" is specified as applying in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with N&C Security Condition 14 (Notices) and redeem each N&C Security at the Early Redemption Amount on the Merger Event Redemption Date (as specified in the applicable Final Terms).

14. DEFINITIONS APPLICABLE TO CREDIT LINKED N&C SECURITIES

"2.5-year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"5-year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"20-year Limitation Date" has the meaning given to that term in the definition of "Limitation Date".

"Accreted Amount" means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable in the applicable Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

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"Accreting Obligation" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

"Additional Credit Event" means, in respect of N&C Securities, an event specified as such in the applicable Final Terms.

"Asset Amount" means, subject to the provisions of Credit Linked Condition 10 (Physical Delivery), in respect of each nominal amount of N&C Securities equal to the relevant Credit Event Portion, Deliverable Obligations, as selected by the Calculation Agent, with:

- (a) in the case of Deliverable Obligations that are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified as applying in the applicable Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or
- (b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to or greater than the relevant Credit Event Portion less, (other than in the case of Italian SeDeX Securities), if Unwind Costs are specified as applying in the applicable Final Terms, Deliverable Obligations with a market value determined by the Calculation Agent on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date less than or equal to the Unwind Costs.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

"Asset Transfer Notice" means a duly completed asset transfer notice, the form of which may be obtained from the Calculation Agent.

"Auction" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"Auction Cancellation Date" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"Auction Covered Transaction" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"Auction Final Price" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"Auction Final Price Determination Date" shall have the meaning as shall be set forth in the relevant Transaction Auction Settlement Terms.

"Auction Settlement Date" shall mean the date that is the number of Business Days as shall be specified in the relevant Transaction Auction Settlement Terms (or, if a number of Business Days is not so specified, five (5) Business Days) immediately following the Auction Final Price Determination Date.

"Auction Settlement Notice" has the meaning given to that term in Credit Linked Condition 4 (Auction Settlement).

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"Bankruptcy" means a Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty (30) calendar days of the institution or presentation thereof or before the Maturity Date, whichever is earlier;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) calendar days thereafter or before the Maturity Date, whichever is earlier; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in paragraphs (a) to (g) (inclusive).

"Best Available Information" means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of "Successor", other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of "Successor".

Information which is made available more than fourteen (14) calendar days after the legally effective date of the Succession Event shall not constitute "Best Available Information".

"Business Day" means for the purposes of this Technical Annex only, a day which is a day on which commercial banks and foreign exchange markets are generally open to settle payments (including dealing in foreign exchange and foreign currency deposits) in the jurisdiction of the Credit Linked Specified Currency specified in the applicable Final Terms, and

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in respect of the Delivery of any Deliverable Obligations, shall include any day in any jurisdiction on which banks must be open in order to effect settlement of such Delivery.

"Business Day Convention" means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustments will be made if that date would otherwise fall on a day that is not a Business Day so that:

- (a) if "Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day;
- (b) if "Modified Following" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and
- (c) if "Preceding" is specified as the applicable Business Day Convention in the applicable Final Terms, that date will be the first preceding day that is a Business Day.

"Calculation Agent City Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the applicable Final Terms.

"Calculation Agent Physical Settlement Notice" has the meaning given to that term in the definition of Conditions to Settlement.

"Cash Settlement Notice" has the meaning given to that term in Credit Linked Condition 2 (Cash Settlement).

"Clearance System" has the meaning given in the N&C Security Conditions.

"Conditionally Transferable Obligation" means a Deliverable Obligation or Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation or Valuation Obligation, as the case may be, other than Bonds, provided, however, that a Deliverable Obligation or Valuation Obligation, as the case may be, other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation or Valuation Obligations, as the case may be, other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation or Valuation Obligations, as the case may be) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation or Valuation Obligations, as the case may be, provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation or Valuation Obligation, as the case may be, be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation or Valuation Obligation, as the case may be, shall not be considered to be a requirement for consent for purposes of this definition of "Conditionally Transferable Obligation".

For purposes of determining whether a Deliverable Obligation or a Valuation Obligation, as the case may be, satisfies the requirements of the definition of "Conditionally Transferable Obligation", such determination shall be made as of the Delivery Date for the Deliverable Obligation or the date of selection of the relevant Valuation Obligation, as the case may be, taking into account only the terms of the Deliverable Obligation or the Valuation Obligation, as the case may be, and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor, as the case may be.

"Conditions to Settlement" means the requirements set out in each of (a), (b) and (c), as applicable, below:

- (a) all of the Conditions to Settlement shall be deemed to be satisfied by the occurrence of a Credit Event Determination Date except where such Credit Event Determination Date is subsequently reversed prior to any of (i) the relevant Auction Final Price Determination Date, (ii) a relevant Valuation Date, (iii) the relevant Physical Settlement Date (or, if earlier, a Delivery Date), (iv) the relevant Credit Event Redemption Date or (v) the Maturity Date, as applicable, unless Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) in which case all of the

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Conditions to Settlement shall be deemed to be satisfied by delivery of a Calculation Agent Physical Settlement Notice as described in (c) below on or following the occurrence of a Credit Event Determination Date;

- (b) if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information Condition to Settlement is satisfied if either (i) the Calculation Agent delivers to the Issuer a Notice of Publicly Available Information during one of the periods specified in paragraph (a) of the definition of Credit Event Determination Date or (ii) ISDA publicly announces on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for purposes of the relevant N&C Securities has occurred with respect to the relevant Reference Entity or Obligation thereof; and
- (c) where Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method), the Calculation Agent delivers to the Issuer a notice of physical settlement (a "**Calculation Agent Physical Settlement Notice**"), subject where applicable to Credit Linked Condition 12 (Settlement Suspension), on or prior to:
 - (i) the later of:
 - (A) the thirty-second (32) calendar day (subject to adjustment in accordance with the applicable Business Day Convention) after the Credit Event Determination Date; and
 - (B) the twelfth (12th) calendar day after either (I) the date of the relevant DC Credit Event Announcement, if any, or (II) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date; or
 - (ii) if "Physical Delivery" is applicable pursuant to the Fallback Settlement Method in accordance with Credit Linked Condition 4(B) (Auction Settlement) and:
 - (A) the relevant Credit Event is not a Restructuring (or, if such Credit Event is a Restructuring, such Restructuring has occurred where neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms), the thirty-second (32nd) calendar day after the Auction Cancellation Date or the No Auction Announcement Date, as applicable; or
 - (B) the relevant Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, either:
 - (1) the thirty-second (32nd) calendar day after:
 - (i) a No Auction Announcement Date occurring pursuant to paragraph (a) of the definition of No Auction Announcement Date, if any; or
 - (ii) a No Auction Announcement Date occurring pursuant to paragraph (c) of the definition of No Auction Announcement Date, if any, in circumstances where no Parallel Auction will be held; or
 - (iii) the Auction Cancellation Date, if any; or
 - (2) the second (2) Relevant City Business Day immediately following the later of the Parallel Auction Final Price Determination Date, if any (or, if more than one

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should occur, the last Parallel Auction Final Price Determination Date), and the Parallel Auction Cancellation Date, if any (or, if more than one should occur, the last Parallel Auction Cancellation Date), as applicable, in circumstances where either:

- (i) a No Auction Announcement Date occurs pursuant to paragraph (b) of the definition of No Auction Announcement Date and the Issuer has not exercised the Movement Option; or
- (ii) a No Auction Announcement Date occurs pursuant to paragraph (c) of the definition of No Auction Announcement Date in circumstances where one or more Parallel Auctions will be held,

provided that in the case of paragraphs (c)(i)(B) and (c)(ii), the relevant Credit Event Resolution Request Date occurred on or prior to the date described in paragraph (c)(i)(A).

For purposes of determining whether the conditions of this paragraph (c) have been satisfied, the date of delivery of the Calculation Agent Physical Settlement Notice (whether or not subsequently changed) shall be used.

"Convertible Obligation" means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"Credit Derivatives Auction Settlement Terms" means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time in accordance with the Rules.

"Credit Derivatives Determinations Committees" means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions (each a **"Credit Derivatives Determinations Committee"**), as more fully described in the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof (the **"Rules"**).

"Credit Event" means the occurrence of any one or more of the Credit Events specified in the applicable Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any Additional Credit Event specified in the applicable Final Terms, as determined by the Calculation Agent.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

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"Credit Event Backstop Date" means:

- (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition of Repudiation/Moratorium), as determined by DC Resolution, the date that is sixty (60) calendar days prior to the Credit Event Resolution Request Date; or
- (b) otherwise, the date that is sixty (60) calendar days prior to the earlier of:
 - (i) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer during the Notice Delivery Period; and
 - (ii) in circumstances where:
 - (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules;
 - (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters; and
 - (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer not more than fourteen (14) calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters,

the Credit Event Resolution Request Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Determination Date" means, in respect of any Credit Event:

- (a) subject to paragraph (b) below, if neither a DC Credit Event Announcement nor a DC No Credit Event Announcement has occurred, the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as applicable in the applicable Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer during either:
 - (i) the Notice Delivery Period; or
 - (ii) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (II) to, and including, the date that is fourteen (14) calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or
- (b) notwithstanding paragraph (a) above, if a DC Credit Event Announcement has occurred, either:
 - (i) the Credit Event Resolution Request Date, if
 - (A) either:
 - (1) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms; or

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- (2) the relevant Credit Event is a Restructuring; and
- (B) the Credit Event Notice is delivered by the Calculation Agent to the Issuer on or prior to the date falling two (2) Business Days after the Exercise Cut-off Date; or
- (ii) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer during (I) the Notice Delivery Period or (II) the period from, and including, the date on which ISDA publicly announces the occurrence of the relevant DC Credit Event Announcement to, and including, the date that is fourteen (14) calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:
 - (A) Auction Settlement is not specified as the applicable Settlement Method in the applicable Final Terms; or
 - (B) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms and the Credit Event Notice is delivered by the Calculation Agent to the Issuer on a date that is later than the date falling two (2) Business Days after the relevant Exercise Cut-off Date,

provided that, in the case of paragraph (b) above, (1) this shall be subject to any adjustment in accordance with Credit Linked Condition 15 (Credit Event Notice after Restructuring Credit Event) and (2) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date; and

provided further that no Credit Event Determination Date will occur, and any Credit Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, a Physical Settlement Date, a Credit Event Redemption Date or the Maturity Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

If, in accordance with the provisions above, (i) following the determination of a Credit Event Determination Date, such Credit Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Credit Event Determination Date or (B) not to have occurred or (ii) a Credit Event Determination Date is deemed to have occurred prior to one or more preceding Interest Payment Dates, the Calculation Agent will determine (1) such adjustment(s) to these Credit Linked Conditions (including any adjustment to payment amounts) as may be required to achieve as far as practicable the same economic position of N&C Securityholders as would have prevailed had a Credit Event Determination Date occurred on such deemed date of occurrence and (2) the effective date of such adjustment(s).

"Credit Event Notice" means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred at or after the Credit Event Backstop Date (determined by reference to the Relevant Time) and on or prior to the Extension Date (determined by reference to the Relevant Time).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is delivered. A Credit Event Notice shall be subject to the requirements regarding notices set out in N&C Security Condition 14 (Notices).

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"**Credit Event Portion**" means, in the case of any Credit Event and in respect of each nominal amount of the N&C Securities equal to the Calculation Amount, an amount equal to:

- (a) in the case of a Portfolio Credit Linked N&C Security or a Portfolio Maturity Settled Credit Linked N&C Security,
 - (i) the Reference Amount of the Reference Entity in respect of which the Credit Event Notice has been given, expressed as a proportion of the aggregate of the Reference Amounts of all the Reference Entities specified in the Final Terms;

multiplied by
 - (ii) the Calculation Amount; or
- (b) in all other cases, 100 per cent. (100%) of the Calculation Amount.

"**Credit Event Redemption Amount**" means, in respect of a Credit Event, the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

"A" is the Credit Event Portion in relation to such Credit Event;

"B" is the Final Price or the Auction Final Price, as applicable, in relation to the relevant Reference Obligation or (if specified as applicable in relation to the relevant Reference Entity in the applicable Final Terms) the relevant Valuation Obligation; and

"C" is Unwind Costs in relation to such Credit Event, (unless the applicable Final Terms specify that Unwind Costs are not applicable),

provided that in no event shall the Credit Event Redemption Amount be less than zero.

"**Credit Event Redemption Date**" means, subject to Credit Linked Condition 12 (Settlement Suspension), the day falling the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, five (5) Business Days) after (i) the calculation of the Final Price or (ii) the Auction Settlement Date, as applicable.

"**Credit Event Resolution Request Date**" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in paragraphs (a) and (b) above.

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"Currency Amount" means, with respect to (a) a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each Physical Settlement Amendment Notice with respect to that portion of the relevant N&C Securities into the currency of denomination of the relevant Replacement Deliverable Obligation.

"Currency Rate" means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent and (b) a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the Revised Currency Rate.

"Currency Rate Source" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"Cut-off Date" is the date as specified in the applicable Final Terms.

"DC Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) such event occurred on or after the Credit Event Backstop Date (determined by reference to the Relevant Time) and on or prior to the Extension Date (determined by reference to the Relevant Time). A DC Credit Event Announcement will be deemed not to have occurred unless (i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is twenty-one (21) calendar days following the No Auction Announcement Date, if any, as applicable.

"DC Cut-off Date" has the meaning given to that term in Credit Linked Condition 8 (Credit Derivatives Determinations Committee Extension).

"DC No Credit Event Announcement" means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event with respect to such Reference Entity (or an Obligation thereof).

"DC Resolution" has the meaning set out in the Rules.

"Default Requirement" means the amount specified as such in the applicable Final Terms or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, U.S.\$10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

"Deliver" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Asset Amount(s) to the relevant Securityholder free and clear of any and all liens, charges, claims or encumbrances (including without limitation any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (a) to (d) in the definition of "Credit Event" above or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that if all or a portion of an Asset Amount consists of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favour of the relevant Securityholder and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "Deliver"

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means to deliver both the Qualifying Guarantee and the Underlying Obligation. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for delivery of such Loan at that time.

"Deliverable Obligation" means, subject as provided in Credit Linked Condition 3 (Physical Settlement):

- (a) any obligation of such Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in sub-paragraph (d) "(A) Method for Determining Deliverable Obligations" below (but excluding any Excluded Deliverable Obligation specified in the applicable Final Terms) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second paragraph of the definition of "Not Contingent" in sub-paragraph (d) (A)(2)(i) "Method for Determining Deliverable Obligations" below, each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable Final Terms.

(A) Method for Determining Deliverable Obligations

For the purposes of this definition of "Deliverable Obligation", the term "Deliverable Obligation" may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (1) **"Deliverable Obligation Category"** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Deliverable Obligations, the definition of "Reference Obligations Only" shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).

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(2) "**Deliverable Obligation Characteristics**" means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, where:

(i) "**Not Contingent**" means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (x) to convert or exchange such obligation or (y) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (x) and (y) of sub-paragraph (i) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

(ii) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iii) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;

(iv) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Securityholder that provides each Securityholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Securityholder and either (A) the Issuer or the Guarantor, as the case may be, (in either case, to the extent that the Issuer or the Guarantor, as applicable, is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(v) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

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- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (vi) "**Maximum Maturity**" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the applicable Final Terms;
- (vii) "**Accelerated or Matured**" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and
- (viii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) **Interpretation of Provisions**

- (1) If the Obligation Characteristic "Listed" is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (2) if (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;
- (3) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and

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- (4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
- (i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
 - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
 - (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.
 - (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
 - (v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
 - (vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in these Credit Linked Conditions, including without limitation, the definitions of "Partial Cash Settlement Amount" and "Quotation Amount" in Credit Linked Condition 11 (Partial Cash Settlement), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

"Deliverable Obligation Terms" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms.

"Delivery Date" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

"Domestic Currency" means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic

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Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

"Downstream Affiliate" means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date (in the case of a Deliverable Obligation), the date of selection of the relevant Valuation Obligation (in the case of a Valuation Obligation) or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50 per cent., owned, directly or indirectly, by the Reference Entity. As used herein, **"Voting Shares"** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

"Due and Payable Amount" means subject as provided in sub-paragraph (4)(vi) of paragraph (B) (*Interpretation of Provisions*) in the definition of Deliverable Obligation (or Valuation Obligation if "Valuation Obligation" is specified as applicable in the relevant Final Terms), the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date or a Valuation Obligation on the date of selection of the relevant Valuation Obligation, as the case may be, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"Effective Date" has the meaning given in the applicable Final Terms.

"Eligible Transferee" means:

- (a) any:
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
 - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),provided, however, that, in each case, such entity has total assets of at least U.S.\$500 million;
- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
 - (ii) that has total assets of at least U.S.\$500 million; or
 - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keep well, support, or other agreement by an entity described in sub-paragraphs (a), (b), (c)(ii) or (d); or
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

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"Enabling Obligation" means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

"Equity Securities" means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

"Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

"Excluded Deliverable Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"Excluded Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"Excluded Valuation Obligation" means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

"Exercise Cut-off Date" means, with respect to a Credit Event:

- (a) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, such Restructuring has occurred and neither "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" nor "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms), either:
 - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
 - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
 - (iii) the date that is twenty-one (21) calendar days following the No Auction Announcement Date, if any,as applicable; or
- (b) if such Credit Event is a Restructuring and either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and:
 - (i) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is five (5) Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules; or

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- (ii) a No Auction Announcement Date occurs pursuant to paragraph (a) of the definition of No Auction Announcement Date, the date that is twenty-one (21) calendar days following such No Auction Announcement Date.

"Extension Date" means the latest of:

- (a) the Scheduled Maturity Date;
- (b) the Grace Period Extension Date if:
 - (i) "Grace Period Extension" is specified as applying in the applicable Final Terms;
 - (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Maturity Date (determined by reference to the Relevant Time); and
 - (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time); and
- (c) the Repudiation/Moratorium Evaluation Date if:
 - (i) "Repudiation Moratorium" is specified as a Credit Event in the applicable Final Terms;
 - (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in paragraph (b) of the definition of Repudiation/Moratorium occurs after the Scheduled Maturity Date (determined by reference to the Relevant Time);
 - (iii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time); and
 - (iv) the Repudiation/Moratorium Extension Condition is satisfied.

"Failure to Pay" means after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

"Fallback Settlement Method" means, with respect to any N&C Securities for which Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, the fallback settlement method specified in the applicable Final Terms.

"Final Delivery Date" has the meaning given to that term in Credit Linked Condition 10 (Physical Delivery)

"Final List" has the meaning set out in the Rules.

"Final Price" means the price of a Reference Obligation or Valuation Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Credit Linked Condition 15 (Credit Event Notice after Restructuring Credit Event). The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Securityholders at the specified office of the Agent and, for so long as the N&C Securities are listed on the London Stock Exchange at the office of the Paying Agent in London (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

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"Full Quotation" means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation or the relevant Valuation Obligation with an Outstanding Principal Balance equal to the Quotation Amount.

"Fully Transferable Obligation" means a Deliverable Obligation or a Valuation Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation or a Valuation Obligation, as the case may be, other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation or a Valuation Obligation, as the case may be, be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation or a Valuation Obligation, as the case may be, shall not be considered to be a requirement for consent for purposes of this definition of "Fully Transferable Obligation". For purposes of determining whether a Deliverable Obligation or a Valuation Obligation, as the case may be, satisfies the requirements of this definition of "Fully Transferable Obligation", such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation or the date of selection of the relevant Valuation Obligation, as the case may be, taking into account only the terms of the Deliverable Obligation or the Valuation Obligation, as the case may be, and any related transfer or consent documents which have been obtained by the Issuer or the Guarantor, as the case may be.

"Governmental Authority" means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

"Grace Period" means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, thirty (30) calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

"Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

"Grace Period Extension Date" means, if:

- (a) Grace Period Extension is specified as applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time),

the date that is five (5) Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

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"Hedge Disruption Event" means in the opinion of the Calculation Agent any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or any such Affiliate to hedge the obligations or position of the Issuer in respect of the N&C Securities.

"Hedge Disruption Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

"Hypothetical Investor" means, with respect to any Obligation or Reference Obligation, a hypothetical investor in such Obligation or Reference Obligation in the Hypothetical Investor Jurisdiction and who is deemed to have the benefits and obligations, as provided under the terms and conditions of the Obligation or Reference Obligation, of an investor holding, as of the Trade Date (or, if later, its date of issue), an interest in the Obligation or Reference Obligation.

"Hypothetical Investor Jurisdiction" means, at any relevant time, the jurisdiction of organisation or formation, as applicable, of the Issuer or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the N&C Securities as the Issuer may select at such time.

"Intervening Period" means such period of time as any person other than the relevant N&C Securityholder shall continue to be registered as the legal owner of any securities or other obligations comprising an Asset Amount.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"Japanese Default Requirement" means, if the Specified Currency is Japanese Yen, JPY1,000,000,000, or in all other cases, U.S.\$10,000,000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

"Japanese Payment Requirement" means, if the Specified Currency of the N&C Securities is Japanese Yen, JPY100,000,000, or in all other cases, U.S.\$1,000,000 or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency as of the occurrence of the Failure to Pay or Potential Failure to Pay, as applicable.

"Japanese Reference Entity" means a Reference Entity for which the jurisdiction of incorporation or organisation is Japan.

"Latest Maturity Restructuring Bond or Loan" has the meaning given to that term in the definition of "Restructuring Maturity Limitation Date".

"Limitation Date" means the first of 20th March, 20th June, 20th September or 20th December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the "2.5-year Limitation Date"), 5 years (the "5-year Limitation Date"), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the "20-year Limitation Date"), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless it is specified in the applicable Final Terms that Limitation Dates will be adjusted in accordance with a specified Business Day Convention.

"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 (including dealings in foreign exchange and foreign currency deposits) in London.

"Market Value" means, with respect to a Reference Obligation or Valuation Obligation on a Valuation Date:

- (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);
- (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);

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- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and
- (f) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth (10th) Business Day following the Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth (10th) Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation, Hedge Disruption Obligation or Valuation Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth (10th) Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

"Merger Event" means that at any time during the period from (and including) the Trade Date to (but excluding) the Maturity Date (1) the Issuer, the Guarantor, any Affiliate of the Issuer or the Guarantor or a Reference Entity (any such entity, the **"Mergor"**) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to (a) where the Mergor is the Issuer or the Guarantor or any Affiliate of the Issuer or the Guarantor, a Reference Entity or (b) where the Mergor is a Reference Entity, the Issuer or the Guarantor or any Affiliate of the Issuer or the Guarantor, or, (2) (I) the Guarantor and a Reference Entity or (II) the Issuer and a Reference Entity or (III) any Affiliate of the Issuer or the Guarantor and a Reference Entity, become Affiliates.

"Minimum Quotation Amount" means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

"Modified Eligible Transferee" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

"Modified Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, as the case may be, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Where "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and the Scheduled Maturity Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (A) the 2.5 year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Movement Option" means, where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, and where a No Auction Announcement Date has occurred pursuant to paragraph (b) of the definition of No Auction Announcement Date, the option of the Issuer to apply to the N&C Securities, for purposes of settlement, the Parallel Auction Settlement Terms, if any, for purposes of which the Permissible

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Deliverable Obligations are more limited than the Deliverable Obligations that could be specified in any Calculation Agent Physical Settlement Notice (provided that if more than one such set of Parallel Auction Settlement Terms are published, the Parallel Auction Settlement Terms specifying the greatest number of such Permissible Deliverable Obligations shall apply). If no Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, the N&C Securities will be settled in accordance with the Fallback Settlement Method. If a Notice to Exercise Movement Option is delivered by the Issuer on or prior to the Movement Option Cut-off Date, such event will be notified to Securityholders in accordance with N&C Security Condition 14 (Notices).

"Movement Option Cut-off Date" means the date that is six (6) Relevant City Business Days following the Exercise Cut-off Date.

"Multiple Valuation Date" shall have the meaning specified in the definition of "Valuation Date" below.

"Next Currency Fixing Time" means 4:00 p.m. (London time) on such London Business Day as the Calculation Agent shall select falling no more than five (5) London Business Days immediately preceding the date on which the Notice of Physical Settlement or relevant Physical Settlement Amendment Notice or relevant Partial Cash Settlement Notice, as applicable, is delivered.

"No Auction Announcement Date" means, with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms only, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary.

"Notice Delivery Period" means the period from and including the Trade Date to and including the date that is fourteen (14) calendar days after the Extension Date.

"Notice of Physical Settlement" has the meaning given to that term in Credit Linked Condition 3 (Physical Settlement).

"Notice of Publicly Available Information" means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (a) and (b) of the definition of Repudiation/Moratorium. The notice given must contain a copy or description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applying in the applicable Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Credit Linked Condition 21 (Calculation Agent and Calculation Agent Notices).

"Notice to Exercise Movement Option" means, where (a) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms and (b) the Fallback Settlement Method would otherwise be applicable pursuant to the Auction Settlement provisions, a notice from the Calculation Agent to the Issuer that (i) specifies the Parallel Auction Settlement Terms applicable in accordance with the definition of Movement Option and (ii) is delivered on or prior to the Movement Option Cut-off Date.

"Obligation" means:

- (a) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee)

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determined pursuant to the method described in "Method for Determining Obligations" below (but excluding any Excluded Obligation);

- (b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms.

Method for Determining Obligations. For the purposes of paragraph (a) of this definition of "Obligation", the term "Obligation" may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (A) "**Obligation Category**" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
 - (1) "**Payment**" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (2) "**Borrowed Money**" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (3) "**Reference Obligations Only**" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
 - (4) "**Bond**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
 - (5) "**Loan**" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
 - (6) "**Bond or Loan**" means any obligation that is either a Bond or a Loan.
- (B) "**Obligation Characteristics**" means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the applicable Final Terms, where:
 - (1) (a) "**Not Subordinated**" means an obligation that is not Subordinated to (1) the most senior Reference Obligation in priority of payment or (2), if no Reference Obligation is specified in the applicable Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity provided that, if any of the events set forth under paragraph (a) of the definition of Substitute Reference Obligation has occurred with respect to all of the Reference Obligations or if the final paragraph of the definition of Successor is applicable with respect to the Reference Obligation (each, in each case, a "**Prior Reference Obligation**") and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic or Valuation Obligation Characteristic, as applicable, "Not Subordinated" shall mean an

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obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic or Valuation Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date;

- (b) "**Subordination**" means, with respect to an obligation (the "**Subordinated Obligation**") and another obligation of the Reference Entity to which such obligation is being compared (the "**Senior Obligation**"), a contractual, trust or other similar arrangement providing that (i) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "**Subordinated**" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;
- (2) "**Credit Linked Specified Currency**" means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Credit Linked Specified Currency is specified in the applicable Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the applicable Final Terms as the "Standard Specified Currencies");
- (3) "**Not Sovereign Lender**" means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt";
- (4) "**Not Domestic Currency**" means any obligation that is payable in any currency other than the Domestic Currency;
- (5) "**Not Domestic Law**" means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (6) "**Listed**" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) "**Not Domestic Issuance**" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

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"Obligation Acceleration" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"Obligation Currency" means the currency or currencies in which the Obligation is denominated.

"Obligation Default" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

"Outstanding Principal Balance" means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation or Valuation Obligation, as the case may be:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (b) with respect to any other obligation, the outstanding principal balance of such obligation,

Provided That with respect to any Exchangeable Obligation that is not an Accreting Obligation, "Outstanding Principal Balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

"Outstanding Redemption Amount" means in respect of a N&C Security or nominal amount equal to the Calculation Amount, on any day, the greater of (a) the Final Redemption Amount specified in the applicable Final Terms for such N&C Security less the aggregate of all Credit Event Portions determined pursuant to Credit Linked Condition 2 (Cash Settlement), Credit Linked Condition 3 (Physical Settlement) or Credit Linked Condition 4 (Auction Settlement) (as applicable) determined up to and including such day and (b) zero.

"Parallel Auction" means "Auction" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Cancellation Date" means "Auction Cancellation Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Final Price Determination Date" means "Auction Final Price Determination Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Date" means "Auction Settlement Date" as such term shall be defined in the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Terms" means, following the occurrence of a Restructuring where either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which (i) the Deliverable Obligation Terms are the same as the Reference Transaction and (ii) the Reference Transaction would not be an Auction Covered Transaction.

"Pass-Through Event" means in respect of any Reference Entity:

- (a) any event that (i) results in the Issuer or any of its agents or Affiliates receiving less than the full value of any principal, interest or other amounts due on any Obligation or Reference Obligation in respect of that Reference Entity on the date such amounts are due; or (ii) affects in any way the cost to or ability of the Issuer or its agents or Affiliates of acquiring, holding, realising or redeeming the Reference Obligations, or of hedging, directly or indirectly, the obligations of the Issuer in respect of the N&C Securities, or of converting any Obligation

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Currency amount into the Specified Currency or Settlement Currency, as the case may be, (or any other freely convertible and transferable currency) or vice versa;

- (b) any custodian used by the Issuer or any of its agents or Affiliates for the purposes of hedging exposure to the relevant Reference Entity in respect of the N&C Securities: (i) is dissolved, becomes insolvent or is unable to pay its debts as they become due, makes a general assignment, arrangement or composition with or for the benefit of its creditors, institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any law, has a secured party take possession of all or substantially all its assets, or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts or any analogous event or circumstance exists or occurs; or (ii) fails to do one or more of the following:
 - (A) deliver or credit any Obligation Currency, or Obligations owned by the Issuer or any of its agents or Affiliates, to the account of the Issuer (or of any of its agents or Affiliates) as instructed by the Issuer (or any of its agents or Affiliates);
 - (B) deliver any Obligation Currency to a third party when requested to do so by the Issuer (or any of its agents or Affiliates);
 - (C) surrender any Obligations owned by the Issuer (or any of its agents or Affiliates) when requested to do so by the Issuer (or any of its agents or Affiliates);
 - (D) purchase or sell any Obligations or take any other action when instructed to do so by the Issuer (or any of its agents or Affiliates); or
 - (E) perform in a full and timely manner all of its obligations to the Issuer (or any of its agents or Affiliates) under any custodian or similar arrangements entered into by the Issuer (or any of its agents or Affiliates) at any time in relation to Obligations and/or an Obligation Currency (which shall include, for the avoidance of doubt, a repudiation or termination of any such arrangements without the prior consent of the Issuer (or any of its agents or Affiliates)); or
- (c) (i) (A) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by or in relation to the Reference Entity or by any governmental authority, (B) the issuance of any order or decree by any governmental authority, (C) any action being taken by a taxing authority in the jurisdiction of the Reference Entity, or (D) the occurrence of any other act or event at any time relating to withholding or deduction for or on account of tax in relation to any Obligations, which (in the case of (A), (B), (C) or (D) above) will adversely affect the economic value of any Obligation or Reference Obligation to the Hypothetical Investor; (ii) the imposition of taxes on the transfer of any relevant currency out of the jurisdiction of the Reference Entity, (iii) the imposition of any additional taxes on debt of the Reference Entity issued in the jurisdiction of the Reference Entity, or (iv) the imposition of any taxes on any conversion of an Obligation Currency into the Specified Currency or the Settlement Currency (as the case may be).

"Payment Requirement" means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, USD1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"Permissible Deliverable Obligations" has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included in the Final List pursuant to the Deliverable Obligation Terms applicable to the relevant Auction.

"Permitted Currency" means (i) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or

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any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

"Physical Settlement Amendment Notice" has the meaning given to that term in Credit Linked Condition 3 (Physical Settlement).

"Physical Settlement Date" means, subject to the provisions of Credit Linked Condition 10 (Physical Delivery) in relation to any Deliverable Obligation, the last day of the longest Physical Settlement Period following the satisfaction of Conditions to Settlement (the **"Scheduled Physical Settlement Date"**) *provided that*:

- (a) if a Hedge Disruption Event has occurred and is continuing on the second (2nd) Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 65 Business Days following the Scheduled Physical Settlement Date; or
- (b) if such day is not a Relevant Clearance Business Day, it shall be postponed to the immediately following Relevant Clearance Business Day.

"Physical Settlement Period" means, subject to Credit Linked Condition 12 (Settlement Suspension), the number of Business Days specified as such in the applicable Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising an Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

"Portfolio Credit Linked N&C Security" means each Credit Linked N&C Security indicated as such in the applicable Final Terms, where the Issuer purchases credit protection from the Securityholders in respect of two or more Reference Entities on a *pro rata* basis. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the Final Terms, result in a proportional redemption of the N&C Securities pursuant to these Credit Linked Conditions, by cash, physical or auction settlement, as specified in the applicable Final Terms.

"Portfolio Maturity Settled Credit Linked N&C Security" means each Credit Linked N&C Security indicated as such in the applicable Final Terms and in respect of which Cash Settlement or Auction Settlement is specified as applicable in the Final Terms, where the Issuer purchases credit protection from the Securityholders in respect of two or more Reference Entities on a *pro rata* basis. Satisfaction of the Conditions to Settlement with respect to any of the Reference Entities will, unless otherwise specified in the applicable Final Terms, result in a reduction of the Outstanding Redemption Amount of the N&C Securities on the date the related Final Price is calculated, provided that redemption of the N&C Securities by cash settlement or auction settlement pursuant to these Credit Linked Conditions shall not occur until the Maturity Date.

"Potential Credit Event" means a Potential Failure to Pay (if Failure to Pay is an applicable Credit Event in respect of the Reference Entity), a Potential Repudiation/Moratorium (if Repudiation/Moratorium is an applicable Credit Event in respect of the Reference Entity) or if a Credit Event Resolution Request Date has occurred and the relevant Credit Derivatives Determinations Committee has not made its determination, such event will be deemed to be a Potential Credit Event. A Credit Derivatives Determinations Committee and the Calculation Agent may each determine whether a Potential Failure to Pay or a Potential Repudiation/Moratorium has occurred.

"Potential Failure to Pay" means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

"Potential Repudiation/Moratorium" means the occurrence of an event described in paragraph (a) of the definition of Repudiation/Moratorium.

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"Publicly Available Information" means:

- (a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
 - (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer, the Guarantor or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer, the Guarantor or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation;
 - (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
 - (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or
 - (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
- (b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.
- (c) In relation to any information of the type described in paragraphs (a)(ii), (iii) and (iv) above, the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.
- (d) Publicly Available Information need not state:
 - (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
 - (ii) that such occurrence:
 - (A) has met the Payment Requirement or Default Requirement;
 - (B) is the result of exceeding any applicable Grace Period; or
 - (C) has met the subjective criteria specified in certain Credit Events.

"Public Source" means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable Final Terms, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and

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successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

"Qualifying Participation Seller" means any participation seller that meets the requirements specified in the applicable Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

"Quotation" means, in respect of any Reference Obligation or Valuation Obligation, each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation or Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (b)
 - (i) If "Include Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
 - (ii) if "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and
 - (iii) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on the then current market practice in the market of the Reference Obligation or Valuation Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (c) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

"Quotation Amount" means the amount specified as such in the applicable Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the

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applicable Final Terms, the Aggregate Nominal Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

"Quotation Dealer" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Quotation Dealer specified in the applicable Final Terms. If no Quotation Dealers are specified in the applicable Final Terms, the Calculation Agent shall select the Quotation Dealers. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

"Quotation Method" means the applicable Quotation Method specified in the applicable Final Terms by reference to one of the following terms:

- (a) **"Bid"** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer's quotation.

If a Quotation Method is not specified in the applicable Final Terms, Bid shall apply.

"Received Reference Obligations Interest Amount" means any aggregate interest amount received on a Reference Obligation Interest Payment Date by the Hypothetical Investor in respect of a holding of Reference Obligations of an aggregate principal or nominal amount (if necessary rounded down to the nearest whole unit) equal to the Calculation Amount (or the Reference Obligation currency amount equivalent thereof), all as determined by the Calculation Agent.

"Reference Obligation Interest Payment Date" means any day on which the Hypothetical Investor receives payment on account of interest in respect of the Reference Obligations.

"Reference Amount" means the amount and the currency in which the Issuer has purchased credit protection from the Securityholders in respect of each Reference Entity, as specified in the applicable Final Terms.

"Reference Entity" means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity identified pursuant to the definition of **"Successor"** in this Credit Linked Condition 14 on or following the Trade Date (which may include an entity determined to be a Successor in accordance with the Rules) shall, in each case, shall be a Reference Entity for the purposes of the relevant Series.

"Reference Obligation" means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

"Reference Transaction" means a hypothetical credit derivative transaction:

- (a) for which the Deliverable Obligation Terms and the Reference Obligation are:
 - (i) the same as in respect of the N&C Securities (if such Deliverable Obligation Terms and Reference Obligation are specified in the applicable Final Terms); or
 - (ii) if and to the extent the Deliverable Obligation Terms and/or the Reference Obligation are not specified, the Deliverable Obligation Terms and Reference Obligation or Valuation Obligation determined by the Calculation Agent to be appropriate in respect of a credit derivative transaction linked to the relevant Reference Entity;
- (b) with a scheduled termination date matching the Scheduled Maturity Date of the N&C Securities; and

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- (c) otherwise having such other characteristics as the Calculation Agent may determine appropriate by reference to, without limitation, the Issuer's hedging arrangements and/or any credit derivative elections made in relation to the N&C Securities.

"Relevant City Business Day" has the meaning set out in the Rules.

"Relevant Clearance Business Day" is a day which is:

- (a) a Business Day; and
- (b) (i) where the Deliverable Obligations are Bonds, a day on which the relevant clearance system for settlement of the Bonds is open for the acceptance and execution of settlement instructions other than a day on which such clearance system is scheduled to close prior to its regular weekday closing time; or
- (ii) where the Deliverable Obligations are Loans, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the jurisdiction of the currency of denomination of the relevant Loan, or if such currency is euro, a day on which the TARGET2 System (as defined in the N&C Security Conditions) is open.

"Relevant Obligations" means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

"Relevant Time" means Greenwich Mean Time (or Tokyo time for the purpose of Japanese Reference Entities).

"Replaced Deliverable Obligation Outstanding Amount" has the meaning given to that term in Credit Linked Condition 3 (Physical Settlement)

"Replacement Deliverable Obligation" has the meaning given to that term in Credit Linked Condition 3 (Physical Settlement).

"Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

"Repudiation/Moratorium" means the occurrence of both of the following events:

- (a) an authorised officer of a Reference Entity or a Governmental Authority:
- (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or
- (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and
- (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

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"Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time), (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is sixty (60) days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

"Repudiation/Moratorium Extension Condition" will be satisfied:

- (i) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen (14) calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date or, if Credit Linked Condition 9 (Maturity Date Extension) applies, the Postponed Maturity Date (determined by reference to the Relevant Time); or
- (ii) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available is specified as applicable in the applicable Final Terms, a Notice of Publicly Available Information on or prior to the date that is fourteen (14) calendar days after the Scheduled Maturity Date.

In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen (14) calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date (determined by reference to the Relevant Time).

"Repudiation/Moratorium Extension Notice" means a notice from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Maturity Date (determined by reference to the Relevant Time). A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is delivered.

"Resolve" has the meaning set out in the Rules, and "Resolved" and "Resolves" shall be interpreted accordingly.

"Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

"Restructuring" means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all the holders of that Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (a) the Credit Event Backstop Date applicable to the relevant N&C Securities and (b) the date as of which such Obligation is issued or incurred:

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- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (a) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (b) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of the definition of Restructuring and Credit Linked Condition 16 (Provisions relating to Multiple Holder Obligation), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the definition of Restructuring and the definition of Subordination shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

"Restructuring Date" means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

"Restructuring Maturity Limitation Date" means with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a **"Latest Maturity Restructured Bond or Loan"**) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

In the event that the Scheduled Maturity Date is later than (i)(A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

"Revised Currency Rate" means, with respect to a Replacement Deliverable Obligation specified in a Physical Settlement Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Principal Balance or Due and Payable Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the

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Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent.

"**Rules**" has the meaning given to that term in the definition of "Credit Derivatives Determinations Committees" above.

"**Scheduled Maturity Date**" has the meaning specified in the applicable Final Terms.

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the N&C Securities.

"**Settlement Method**" means, if (a) Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Auction Settlement, (b) Cash Settlement is specified as the applicable Settlement Method in the applicable Final Terms, Cash Settlement, or (c) Physical Delivery is specified as the applicable Settlement Method in the applicable Final Terms, Physical Delivery.

"**Single Valuation Date**" shall have the meaning as specified in the definition of "Valuation Date" below.

"**Sovereign**" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

"**Sovereign Agency**" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"**Sovereign Restructured Deliverable Obligation**" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the applicable Final Terms, and, subject to sub-paragraph (3) of sub-paragraph (B) (Interpretation of Provisions) in the definition of "Deliverable Obligation", having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

"**Sovereign Restructured Valuation Obligation**" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Valuation Obligation Category specified in the applicable Final Terms, and, subject to sub-paragraph (3) of sub-paragraph (B) (Interpretation of Provisions) in the definition of "Valuation Obligation", having each of the Valuation Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Valuation Obligation Category or Valuation Obligation Characteristics after such Restructuring.

"**Specified Number**" means the number of Public Source(s) specified in the applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

"**Standard Unwind Costs**" shall have the meaning as specified in the definition of "Unwind Costs" below.

"**Substitute Reference Obligation**" means any of (1) the relevant Substitute Reference Obligation(s) specified in the applicable Final Terms or (2) one or more obligations of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations in respect of such Reference Entity, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that:
 - (i) a Reference Obligation in respect of such Reference Entity is redeemed in whole; or

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- (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation in respect of such Reference Entity have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (B) any Reference Obligation in respect of such Reference Entity is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation in respect of a Reference Entity is no longer an obligation of such Reference Entity,

the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation in respect of a Reference Entity.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to one or more but not all such Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each such Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all such Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If:
 - (i) more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to all such Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of such Reference Obligations; or
 - (ii) only one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation,

then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (A) either (x) Cash Settlement is specified as the Settlement Method in the applicable Final Terms (or is applicable pursuant to the Fallback Settlement Method) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (y) either Auction Settlement or Physical Delivery is specified as the Settlement Method in the applicable Final Terms (or, in the case of Physical Delivery, is

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applicable pursuant to the Fallback Settlement Method) and, in each case, the Reference Obligation is the only Deliverable Obligation or (z) if Valuation Obligation is specified as applicable in the applicable Final Terms and the Reference Obligation is the only Valuation Obligation and (B) on or prior to the Extension Date, a Substitute Reference Obligation has not been identified, the Issuer shall have the right on or after the Extension Date to early redeem the N&C Securities at the Early Redemption Amount (determined by the Calculation Agent taking into account the creditworthiness of the Reference Entity at the time of early redemption) by notice to Securityholders in accordance with N&C Security Condition 14 (Notices). Such notice shall contain details of the procedures and due date for such early redemption.

- (f) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

"Succession Event" means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to the Relevant Time) applicable to the relevant Series.

"Succession Event Backstop Date" means:

- (a) for purposes of any event that constitutes a Succession Event, as determined by DC Resolution, the date that is ninety (90) calendar days prior to the Succession Event Resolution Request Date (determined by reference to the Relevant Time); or
- (b) otherwise, the date that is ninety (90) calendar days prior to the earlier of:
- (i) the date on which the Succession Event Notice is delivered; and
 - (ii) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraphs (a) and (b) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Issuer not more than fourteen (14) calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless specified in the applicable Final Terms that the Succession Event Backstop Date will be adjusted in accordance with a specified Business Day Convention.

"Succession Event Notice" means a notice from the Calculation Agent to the Issuer that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to the Relevant Time).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s).

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"Succession Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event for purposes of a Series has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (i) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (ii) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

"Successor" means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
 - (i) if one entity directly or indirectly succeeds to seventy-five per cent. (75%) or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent. (25%) (but less than seventy-five per cent.(75%)) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent. (25%) of the Relevant Obligations will be the sole Successor;
 - (iii) if more than one entity each directly or indirectly succeed to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity remain with Reference Entity, the entities that succeed to more than twenty-five per cent. (25%) of the Relevant Obligations will each be a Successor and these Credit Linked Conditions and/or the applicable Final Terms will be adjusted as provided below;
 - (iv) if one or more entity each directly or indirectly succeed to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Credit Linked Conditions and/or the applicable Final Terms will be adjusted as provided below;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent. (25%) of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and

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- (b) in relation to a Reference Entity that is a Sovereign, each entity which becomes a direct or indirect successor to that Reference Entity by way of Succession Event irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen (14) calendar days after the legally effective date of the occurrence of the relevant Succession Event), and with effect from the legally effective date of the occurrence of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable provided that the Calculation Agent will not make any such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above and paragraphs (a) and (b)(i) of the definition of Succession Event Resolution Request Date (in the case of a Reference Entity that is not a Sovereign) or (b) above and paragraphs (a) and (b)(ii) of the definition of Succession Event Resolution Request Date (in the case of a Sovereign Reference Entity) are satisfied in accordance with the Rules (until such time (if any) that ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by Securityholder(s) at the specified office of the Principal Paying Agent.

Where pursuant to paragraph (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Credit Linked Conditions and/or the applicable Final Terms as it shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of these Credit Linked Conditions and/or the applicable Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the N&C Securities under the provisions of the 2003 ISDA Credit Derivatives Definitions and any relevant publication published by ISDA.

Where First to Default is specified as applicable in the applicable Final Terms, the additional provisions (1) – (3) below will also apply. These provisions are in addition to and without prejudice to the rights of the Issuer under the provisions of Credit Linked Condition 13 (*Redemption Following a Merger Event*) which will apply where Merger Event is specified as applying in the applicable Final Terms. In particular the Issuer may in each case determine in its sole discretion which of such provisions apply in the case of a Merger Event occurring.

(1) *Substitution Not Applicable*: Where any Reference Entity (the "**Surviving Reference Entity**") (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Event through the application of this definition of "Successor" and Substitution is specified as Not Applicable in the applicable Final Terms, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

(2) *Substitution Applicable*: Where any Reference Entity (the "**Surviving Reference Entity**") (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the "**Legacy Reference Entity**") pursuant to a Succession Event through the application of this definition of Successor and Substitution is specified as Applicable in the applicable Final Terms:

- (a) such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity; and
- (b) the Calculation Agent may but is not required to select any Eligible Reference Entity in accordance with "(3) *Selection of an Eligible Reference Entity*" below as a Successor to the Legacy Reference Entity pursuant to that Succession Event.

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(3) *Selection of an Eligible Reference Entity*: "**Eligible Reference Entity**" means an entity:

- (i) that is in the same Moody's, S&P or any Other Rating Agency industry group (the "**Industry Requirement**") as the relevant Surviving Reference Entity, where:

"**Moody's**" means Moody's Investors Service, Inc. or any successor thereto;

"**S&P**" means Standard and Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. or any successor thereto; and

"**Other Rating Agency**" means any rating agency other than S&P or Moody's that publishes industry groups as selected by the Calculation Agent in its sole discretion;

- (ii) that has a bid-side credit spread on any day following the relevant Succession Event no greater than 110% (or such other Credit Spread Requirement if any specified in the applicable Final Terms) of the bid-side credit spread of the relevant Surviving Reference Entity at that same time (the "**Credit Spread Requirement**"), in each case based on a credit default swap:

(a) on market standard terms for the relevant entity as at the time of such determination;

(b) in respect of a floating rate payer calculation amount equal to at least 50 per cent., but not more than 100 per cent., of the aggregate Outstanding Redemption Amounts of the N&C Securities outstanding at the relevant time; and

(c) with a term equal to the period from (and including) the date of the determination to (and including) the Scheduled Maturity Date (the "**Remaining Term**") or, if the Calculation Agent determines it is or may be impractical to obtain quotations in respect of the Remaining Term, the term for the purposes of this sub-clause (c) shall be five years.

The bid-side credit spreads for the purpose of the Credit Spread Requirement shall be the unweighted arithmetic mean of the spread quotations obtained by the Calculation Agent (on the basis of the terms set out above) from at least three Quotation Dealers;

- (iii) that is principally traded in the credit derivatives market in respect of the same Geographical Region as the relevant Surviving Reference Entity, as determined in good faith and a commercially reasonable manner by the Calculation Agent, where:

"**Geographical Region**" means such region determined in good faith by the Calculation Agent to give best effect to then current credit derivatives market practice in respect of the relevant Surviving Reference Entity (and which may but does not have to be one of North America, Latin America, Western Europe, Eastern Europe, Australia/New Zealand, Singapore, Asia (excluding Japan) or Japan); and

- (iv) that is not the Issuer or an Affiliate of any Reference Entity or the Issuer both immediately prior to and following the relevant Succession Event, as applicable.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Securityholders in accordance with N&C Security Condition 14 (Notices), stating the adjustment to these Credit Linked Conditions and/or the applicable Final Terms, the effective dates thereof and giving brief details of the relevant Succession Event.

For the purposes of this definition of "Successor", "**succeed**" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (a) of this definition of "Successor" shall be

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made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which Relevant Obligations have been exchanged.

Where:

- (A) a Reference Obligation is specified in the applicable Final Terms; and
- (B) one or more Successors to the relevant Reference Entity have been identified; and
- (C) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of "Substitute Reference Obligation" above.

The Calculation Agent will also determine the Standard Terms as set out in Credit Linked Condition 24 (*Standard Terms*) which will apply to any Successor and/or all relevant elections in respect of the Successor for purposes of the Final Terms in a commercially reasonable manner.

"Supranational Organisation" means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

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

"Transaction Auction Settlement Terms" means, with respect to a Credit Event, the Credit Derivatives Auction Settlement Terms selected by the Calculation Agent in accordance with this provision. In relation to a Credit Event (and as set out in the definition of Credit Derivatives Auction Settlement Terms), ISDA may publish one or more form(s) of Credit Derivatives Auction Settlement Terms on its website at www.isda.org (or any successor website thereto) and may amend such forms from time to time. Each such form of Credit Derivatives Auction Settlement Terms shall set out, inter alia, definitions of "Auction", "Auction Cancellation Date", "Auction Covered Transaction" and "Auction Final Price Determination Date" in relation to the relevant Credit Event. The Transaction Auction Settlement Terms for purposes of the N&C Securities shall be the relevant form of Credit Derivatives Auction Settlement Terms for which the Reference Transaction would be an Auction Covered Transaction (as such term will be set out in the relevant Credit Derivatives Auction Settlement Terms). The Reference Transaction (as set out in the definition thereof) is a hypothetical credit derivative transaction included in these Credit Linked Conditions principally for the purpose of selecting the Credit Derivatives Auction Settlement Terms appropriate to the N&C Securities.

"Undeliverable Obligation" means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans, the failure of a Securityholder to give the Issuer details of accounts for settlement, or a failure of any Securityholder to open or procure the opening of such accounts) it is impossible or illegal to Deliver on the Physical Settlement Date.

"Underlying Obligation" has the meaning given in "Qualifying Guarantee" above.

"Underlying Obligor" has the meaning given in the "Qualifying Guarantee" above.

"Unwind Costs" means the amount specified in the applicable Final Terms or if "Standard Unwind Costs" are specified in the applicable Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption (in whole or in part) of the N&C Securities and the related termination, settlement or re-establishment

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(in whole or in part) of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of N&C Securities in the Calculation Amount.

"Valuation Date" means (a) where Physical Delivery is specified as applying in the applicable Final Terms the day falling five (5) Business Days after the Final Delivery Date (as such term is defined in Credit Linked Condition 10 (Physical Delivery)), (b) where Valuation Obligation is specified as applying in the applicable Final Terms a date falling no more than a number of Business Days equal to the relevant Valuation Obligation Determination Period following the Credit Event Determination Event, as selected by the Calculation Agent or (c) otherwise, if "Single Valuation Date" is specified in the applicable Final Terms, the date that is the number of Business Days specified in the Final Terms after the satisfaction of all Conditions to Settlement or, if the number of Business Days is not so specified, five Business Days after the satisfaction of all Conditions to Settlement (or, if Cash Settlement is applicable pursuant to the Fallback Settlement Method, the date that is the number of Business Days specified in the applicable Final Terms or, if the number of Business Days is not so specified, five Business Days after the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable), and if "Multiple Valuation Dates" is specified in the applicable Final Terms, each of the following dates:

- (i) Subject to Credit Linked Condition 12 (Settlement Suspension) the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not specified, five (5) Business Days) following the satisfaction of all Conditions to Settlement (or if Cash Settlement is the applicable Fallback Settlement Method, the date that is the number of Business Days specified in the applicable Final Terms (or, if the number of Business Days is not specified, five Business Days) following the Auction Cancellation Date, if any, or the relevant No Auction Announcement Date, if any, as applicable); and
- (ii) each successive date that is the number of Business Days specified in the applicable Final Terms (or if the number of Business Days is not so specified, five (5) Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified in the applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable Final Terms (or, if the number of Valuation Dates is not so specified, five (5) Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the applicable Final Terms, Single Valuation Date shall apply.

"Valuation Method":

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation or Valuation Obligation and only one Valuation Date:
 - (i) **"Market"** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation or Valuation Obligation and more than one Valuation Date:
 - (i) **"Average Market"** means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
 - (ii) **"Highest"** means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or

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- (iii) "**Average Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Highest.

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation or Valuation Obligation and only one Valuation Date:

- (i) "**Blended Market**" means the unweighted arithmetic mean of the Market Value for each Reference Obligation or Valuation Obligation determined by the Calculation Agent with respect to the Valuation Date; or

- (ii) "**Blended Highest**" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation or Valuation Obligation with respect to the Valuation Date.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Blended Highest.

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation or Valuation Obligation and more than one Valuation Date:

- (i) "**Average Blended Market**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;

- (ii) "**Average Blended Highest**" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

- (iii) "**Highest**" means the highest Quotation obtained by the Calculation Agent in respect of any Valuation Date and the relevant Reference Obligation or Valuation Obligation.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Blended Highest.

- (e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

"Valuation Obligation" means:

- (a) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "(A) Method for Determining Valuation Obligations" below (but excluding any Excluded Valuation Obligation specified in the applicable Final Terms) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of "Credit Event" above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date of selection of the relevant Valuation Obligation, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount apart from the giving of any notice of

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non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

- (b) subject to the second paragraph of the definition of "Not Contingent" in (d)(A)(2)(i) below, each Reference Obligation, unless specified in the applicable Final Terms as an Excluded Valuation Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Valuation Obligation (but excluding any Excluded Valuation Obligation) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a)-(d) of the definition of "Credit Event" above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Valuation Obligations is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any Additional Valuation Obligation of a Reference Entity specified as such in the applicable Final Terms.

(A) ***Method for Determining Valuation Obligations.*** For the purposes of this definition of "Valuation Obligation", the term "Valuation Obligation" may be defined as each obligation of each Reference Entity described by the Valuation Obligation Category specified in the applicable Final Terms, and, subject to (B)(2) below, having each of the Valuation Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (1) "**Valuation Obligation Category**" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of "Obligation" below, except that, for the purpose of determining Valuation Obligations, the definition of "Reference Obligations Only" shall be amended to state that no Valuation Obligation Characteristics shall be applicable to Reference Obligations Only).
- (2) "**Valuation Obligation Characteristics**" means any one or more of Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of "Obligation" below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:
 - (i) "**Not Contingent**" means any obligation having as of the first date of selection of the relevant Valuation Obligation and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Valuation Obligation Characteristics if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity

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Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the date of selection of the relevant Valuation Obligation.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Valuation Obligation only if the rights referred to in clauses (A) and (B) of the preceding paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the date of selection of the relevant Valuation Obligation;

- (ii) "**Assignable Loan**" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- (iii) "**Consent Required Loan**" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;
- (iv) "**Direct Loan Participation**" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Securityholder that provides each Securityholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Securityholder and either (A) the Issuer or the Guarantor (as applicable) (in either case, to the extent that the Issuer or the Guarantor (as applicable), is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- (v) "**Transferable**" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
 - (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
 - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (vi) "**Maximum Maturity**" means an obligation that has a remaining maturity from the first Valuation Date of not greater than the period specified in the applicable Final Terms;
- (vii) "**Accelerated or Matured**" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the first Valuation Date will be,

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due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

- (viii) "**Not Bearer**" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) Interpretation of Provisions.

- (1) If the Obligation Characteristic "Listed" is specified in the applicable Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- (2) if (i) either of the Valuation Obligation Characteristics "Listed" or "Not Bearer" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Valuation Obligation Category; (ii) the Valuation Obligation Characteristic "Transferable" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Valuation Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Valuation Obligation Category); or (iii) any of the Valuation Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified in the applicable Final Terms, the Final Terms shall be construed as though such Valuation Obligation Characteristic had been specified as a Valuation Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Valuation Obligation Category;
- (3) if any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Valuation Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Valuation Obligation Characteristics, the Valuation Obligations may include any Loan that satisfies any one of such Valuation Obligation Characteristics specified and need not satisfy all such Valuation Obligation Characteristics; and
- (4) in the event that an Obligation or a Valuation Obligation is a Qualifying Guarantee, the following will apply:
 - (i) For purposes of the application of the Obligation Category or the Valuation Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
 - (ii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

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- (iii) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Valuation Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.
 - (iv) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Valuation Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
 - (v) For purposes of the application of the Obligation Characteristics or the Valuation Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
 - (vi) The terms "Outstanding Principal Balance" and "Due and Payable Amount" (as they are used in the Credit Linked Conditions, including without limitation, the definition of "Quotation Amount" in Credit Linked Condition 11), when used in connection with Qualifying Guarantees are to be interpreted to be the then "Outstanding Principal Balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.
- (5) If only one Valuation Date is specified in the applicable Final Terms, any reference in these Credit Linked Conditions to the first Valuation Date shall be deemed to be a reference to such Valuation Date.
- (6) Where the Standard Terms are applicable to determine the Valuation Obligations the row entitled "Physical Settlement Period" shall not be applicable.

For the avoidance of doubt the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Valuation Obligation as the context admits.

"Valuation Obligation Determination Period" means the number of Business Days specified as such in the applicable Final Terms.

"Valuation Time" means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

"Voting Shares" has the meaning given in the definition of "Downstream Affiliate" above.

"Weighted Average Quotation" means in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

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15. CREDIT EVENT NOTICE AFTER RESTRUCTURING CREDIT EVENT

Notwithstanding anything to the contrary in these Credit Linked Conditions, upon the occurrence of a Restructuring with respect to a Series for which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable in the applicable Final Terms:

- (a) the Calculation Agent may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth an amount (the "**Partial Redemption Amount**") that may be less than the Reference Amount in respect of the relevant Reference Entity. In such circumstances, the Credit Event Portion shall be deemed to be the Partial Redemption Amount only, and each such N&C Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (b) For the avoidance of doubt (i) the Outstanding Redemption Amount of each such N&C Security not so redeemed in part shall remain outstanding and interest shall accrue on the Outstanding Redemption Amount of such N&C Security as provided in Credit Linked Condition 4 (Auction Settlement) (adjusted in such manner as the Calculation Agent determines to be appropriate), (ii) the provisions of Credit Linked Condition 1 (Redemption of Credit Linked N&C Securities) and related provisions shall apply to the Outstanding Redemption Amount of such N&C Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) if, following a Restructuring Credit Event, different Credit Event Determination Dates have been determined with respect to different portions of amounts payable or deliverable to Securityholders under the relevant Series, the Calculation Agent will (x) determine such adjustment(s) to these Credit Linked Conditions as may be required to achieve as far as practicable the same economic effect as if each such portion was a separate series or otherwise reflect or account for the effect of the above provisions of this Credit Linked Condition 15 and (y) the effective date of such adjustment(s).
- (c) If the provisions of this Credit Linked Condition 15 apply in respect of the N&C Securities, on redemption of part of each such N&C Security the relevant N&C Security or, if the N&C Securities are represented by a Global N&C Security, such Global N&C Security, shall be endorsed to reflect such part redemption.
- (d) If any N&C Security represented by a Rule 144A Global N&C Security is to be redeemed (in whole or in part) by delivery of an Asset Amount, the relevant provisions relating to such delivery shall be set out in the applicable Final Terms.
- (e) In the case of N&C Securities for which First to Default is specified as applicable in the applicable Final Terms, where a Partial Redemption Amount applies then subsequent Credit Event Notices may only be delivered in respect of that Reference Entity for which the first Credit Event Notice referred to above is delivered.

16. PROVISIONS RELATING TO MULTIPLE HOLDER OBLIGATION

Notwithstanding anything to the contrary in the definition of Restructuring and related provisions, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of "Restructuring" shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"**Multiple Holder Obligation**" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

17. PROVISIONS TAKEN FROM THE ISDA SUPPLEMENT TITLED "ADDITIONAL PROVISIONS - MONOLINE INSURER AS REFERENCE ENTITY (MAY 2003)"

If this Credit Linked Condition 17 is specified as applicable in the applicable Final Terms, the following provisions will apply:

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- (a) **Obligation and Deliverable Obligation and Valuation Obligations.** Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) and paragraph (a) of the definition of "Deliverable Obligation" and "Valuation Obligation" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation or a Valuation Obligation is a Qualifying Policy, paragraph (b) of the definition of "Deliverable Obligation" and "Valuation Obligation" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
- (A) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond and the Valuation Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond and the Valuation Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in this Credit Linked Condition 17 in respect of such an Insured Instrument shall be construed accordingly;
 - (B) references in the definitions of Assignable Loan and Consent Required Loan to "the guarantor" and "guaranteeing" shall be deemed to include "the insurer" and "insuring", respectively;
 - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured or the Valuation Obligation Characteristic of Accelerated or Matured, as the case may be, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
 - (D) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics or Valuation Obligation Characteristic, as the case may be are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
 - (E) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic or Valuation Obligation Characteristic, as the case may be, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (c) **Not Contingent.** An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic or the Not Contingent Valuation Obligation Characteristic, as the case may be, solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this Credit Linked Condition 17 is applicable, no inference should be made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic or the "Not Contingent" Valuation Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations or Valuation Obligations other than Qualifying Policies.
- (d) **Deliver.** For the purposes of "Deliver" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities), "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the

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Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Deliver" and "Delivered" will be construed accordingly.

- (e) Provisions for Determining a Successor. The paragraph commencing "For the purposes of this definition of "Successor" ..." in the definition of "Successor" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) is hereby amended by adding "or insurer" after "or guarantor".
- (f) Substitute Reference Obligation. The first paragraph of the definition of "Substitute Reference Obligation" and paragraph (b) thereof in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) is hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee". For purposes of sub-paragraph (a)(ii)(B) the definition of "Substitute Reference Obligation" references to "the Qualifying Guarantee" and the "Underlying Obligation" shall be deemed to include "the Qualifying Policy" and "the Insured Instrument", respectively.
- (g) Other Provisions. For the purposes of paragraph (a)(ii) of the definition of "Deliverable Obligation" or "Valuation Obligation" and the definitions of "Credit Event" and "Deliver" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) references to "the Underlying Obligation" and "the Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.
- (h) Additional Definitions.

"Qualifying Policy" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Credit Linked Condition 17 (the **"Insured Instrument"**) for which another party (including a special purpose entity or trust) is the obligor (the **"Insured Obligor"**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being delivered together with the Delivery of the Insured Instrument.

"Instrument Payments" means (A) in the case of any Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Credit Linked Condition 17(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"Certificate Balance" means, in the case of an Insured Instrument that is in the form of a pass through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

18. PROVISIONS TAKEN FROM THE ISDA SUPPLEMENT TITLED "ADDITIONAL PROVISIONS — MONOLINE INSURER AS REFERENCE ENTITY (MAY 2005)"

If Credit Linked Condition 18 is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) Obligation, Deliverable Obligation and Valuation Obligations. Paragraph (a) of the definition of "Obligation" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) and paragraph (a) of the definition of "Deliverable Obligation" and "Valuation Obligation" in Credit Linked Condition 14 (Definitions

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Applicable to Credit Linked N&C Securities) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".

- (b) Interpretation of Provisions. In the event that an Obligation, a Deliverable Obligation or a Valuation Obligation is a Qualifying Policy, paragraph (b) of the definition of "Deliverable Obligation" and "Valuation Obligation" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
- (A) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond and the Valuation Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond and the Valuation Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in this Credit Linked Condition 18 in respect of such an Insured Instrument shall be construed accordingly;
 - (B) references in the definitions of Assignable Loan and Consent Required Loan to "the guarantor" and "guaranteeing" shall be deemed to include "the insurer" and "insuring", respectively;
 - (C) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured or the Valuation Obligation Characteristic of Accelerated or Matured, as the case may be, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
 - (D) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristic or Valuation Obligation Characteristic, as the case may be, are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
 - (E) with respect to an Insured Instrument in the form of a pass through certificate or similar funded beneficial interest, the term "Outstanding Principal Balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic or Valuation Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (c) For the avoidance of doubt if Credit Linked Condition 18 is specified as applying in the applicable Final Terms the amendments to paragraph (b) of the definition of "Deliverable Obligation" or "Valuation Obligation" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) provided in Credit Linked Condition 19 shall not be construed to apply to Qualifying Policies and Insured Instruments.
- (d) Not Contingent. An Insured Instrument will not be regarded as failing to satisfy the Net Contingent Deliverable Obligation Characteristic or Not Contingent Valuation Obligation Characteristic, as the case may be, solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that Credit Linked Condition 18 applicable, no inference should be made as to the interpretation of the "Not Contingent" Deliverable Obligation Characteristic or the "Not Contingent" Valuation Obligation Characteristic in the content of limited recourse or similar terms, applicable to Deliverable Obligations or Valuation Obligations other than Qualifying Policies.

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- (e) Deliver. For the purposes of the definition of "Deliver" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities), "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.
- (f) Provisions for Determining a Successor. The paragraph commencing "For the purposes of this definition of "Successor" ..." in the definition of "Successor" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) is hereby amended by adding "or insurer" after "or guarantor".
- (g) Substitute Reference Obligation. The first paragraph of the definition of "Substitute Reference Obligation" and paragraph (b) thereof in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee". For purposes of sub-paragraph (a)(ii)(B) the definition of "Substitute Reference Obligation" references to "the Qualifying Guarantee" and the "Underlying Obligation" shall be deemed to include "the Qualifying Policy" and "the Insured Instrument", respectively.
- (h) Restructuring.
 - (A) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) inclusive of the definition of "Restructuring" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) are hereby amended to read as follows:
 - (1) a reduction in the rate or amount or the Instrument Payment in clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (2) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
 - (3) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition thereof or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
 - (4) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
 - (5) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
 - (B) Paragraph (c) of the definition of "Restructuring" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) is hereby amended by adding "or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" after "Reference Entity".

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- (C) The definitions of "Restructuring in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

"For purposes of the definition of "Restructuring" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) and if Credit Linked Condition 16 (Provisions relating to Multiple Holder Obligation) is specified as applying in the applicable Final Terms for the purposes of this Technical Annex the term Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in the definition of "Restructuring" shall be deemed to refer to the Insured Obligor and the references to the Reference Entity in paragraphs (a) to (c) inclusive in the definition of "Restructuring" shall continue to refer to the Reference Entity."

- (i) Fully Transferable Obligation and Conditionally Transferable Obligation. In the event that a Fully Transferable Obligation and/or Conditionally Transferable Obligation is specified as applying in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of Conditionally Transferable Obligation to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Condition 3 (Physical Settlement) and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (j) Other Provisions. For purposes of paragraph (a)(ii) of the definition of "Deliverable Obligation" or "Valuation Obligation", as the case may be, and the definition of "Credit Event" and "Deliver" in Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities), references to the "Underlying Obligation" and the "Underlying Obligor" shall be deemed to include "Insured Instruments" and the "Insured Obligor", respectively.
- (k) Additional Definitions.

"Qualifying Policy" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Credit Linked Condition) (the **"Insured Instrument"**) for which another party (including a special purpose entity or trust) is the obligor (the **"Insured Obligor"**). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

"Instrument Payments" means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payment of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in sub-paragraph (d) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

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"**Certificate Balance**" means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measures of unreimbursed principal investment.

19. SUPPLEMENT TO PROVISIONS RELATING TO QUALIFYING GUARANTEE AND UNDERLYING OBLIGATION

(a) If this Credit Linked Condition 19 is specified as applicable in the applicable Final Terms, Credit Linked Condition 14 (Definitions Applicable to Credit Linked N&C Securities) shall be amended by:

(A) the deletion of the definition of "**Downstream Affiliate**" and the substitution of the following therefor:

"**Downstream Affiliate**" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. (50%) owned, directly or indirectly, by the Reference Entity;

(B) the deletion of paragraphs (B)(4)(ii) and (B)(4)(iii) of the definition of "Deliverable Obligation" or "Valuation Obligation", as the case may be, the substitution of the following therefor and the re-numbering of the remaining paragraphs accordingly:

"(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics or the Valuation Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics or Valuation Obligation Characteristics, if any, specified in the applicable Final Terms from the following list: Not Subordinated, Credit Linked Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law."; and

(C) the deletion of the definition of "Qualifying Guarantee" and the substitution of the following therefor:

"**Qualifying Guarantee**" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "**Underlying Obligation**") for which another party is the obligor (the "**Underlying Obligor**"). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee, insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation"; and

(b) Credit Linked Condition 16 (Provisions relating to Multiple Holder Obligation) shall be amended by the insertion of the following at the end of the first paragraph thereof:

"provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) of the definition of "Multiple Holder Obligation" below".

20. ADDITIONAL PROVISIONS FOR LPN REFERENCE ENTITIES

If Credit Linked Condition 20 is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the Credit Linked Conditions, the following provisions will apply:

(a) provisions relating to Multiple Holder Obligation will be deemed to be Not Applicable with respect to any Reference Obligation (and any Underlying Loan);

Credit Technical Annex

- (b) each Reference Obligation will be an Obligation, notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to the definition of "Obligation" in Credit Linked Condition 14, and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity;
- (c) each Reference Obligation will be a Deliverable Obligation or Valuation Obligation, as the case may be, notwithstanding anything to the contrary in the Credit Linked Conditions including, but not limited to, the definition of "Deliverable Obligation" or "Valuation Obligation" in Credit Linked Condition 14 and in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.

For the avoidance of doubt with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation.

The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic and Valuation Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity;

- (d) the definition of Reference Obligation shall be deleted and the following substituted therefor:

"Reference Obligation" means, as of the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List (each a **"Markit Published LPN Reference Obligation"**), as published by Markit Group Limited, or any successor thereto, which list is as of the Trade Date available at <http://www.markit.com/marketing/services.php>, any Additional LPN and each Additional Obligation."; and

- (e) the following additional definitions shall apply:

"Additional LPN" means any bond issued in the form of a loan participation note (an **"LPN"**) by an entity (the **"LPN Issuer"**) for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the **"Underlying Loan"**) or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **"Underlying Finance Instrument"**), provided that (i) either (x) in the event that there is an Underlying Loan with respect to such LPN the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity or (y) in the event that there is an Underlying Finance Instrument with respect to such LPN the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (ii) the LPN satisfies the following Deliverable Obligation Characteristics or Valuation Obligation Characteristics, as applicable: Transferable, Not Bearer, Credit Linked Specified Currency – Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (iii) the LPN Issuer has, as of the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs.

"Additional Obligation" means each of the obligations listed as an Additional Obligation of the Reference Entity in the applicable Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, which list is, as of the Trade Date, available at <http://www.markit.com/marketing/services.php>.

"First Ranking Interest" means a charge, security interest (or other type of interest having similar effect) (an **"Interest"**), which is expressed as being "first ranking", "first priority", or similar (**"First Ranking"**) in the document creating such Interest (notwithstanding that such Interest may not be First Ranking under any insolvency laws of any related insolvency jurisdiction of the LPN Issuer).

"LPN Reference Obligation" means each Reference Obligation other than any Additional Obligation.

For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation constituting a Reference Obligation.

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Each LPN Reference Obligation is issued for the sole purpose of providing funds for the Issuer to finance a loan to the Reference Entity. For the purposes of the Credit Linked Conditions each such loan shall be an Underlying Loan.

21. CALCULATION AGENT AND CALCULATION AGENT NOTICES

Whenever the Calculation Agent is required to act or exercise judgment in relation to these Credit Linked Conditions, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to these Credit Linked Conditions, notify the Issuer, the Guarantor and the Securityholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an adviser to the Securityholders in respect of its duties as Calculation Agent in connection with any N&C Securities.

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to these Credit Linked Conditions shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor and the Securityholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the N&C Securities including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Calculation Agent, the Issuer and the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

Any notice to be delivered by the Calculation Agent to the Issuer or the Guarantor, as applicable, pursuant to these Credit Linked Conditions, may be given in writing (including by facsimile and/or email) and/or by telephone. Any such notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day or on a day which is not a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

22. AMENDMENT OF CREDIT LINKED CONDITIONS IN ACCORDANCE WITH MARKET CONVENTION

The Calculation Agent may from time to time amend any provision of these Credit Linked Conditions to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Calculation Agent and the Issuer determine in a commercially reasonable manner are necessary or desirable to reflect or govern market practice for credit derivative transactions. Any amendment made in accordance with this Credit Linked Condition 22 shall be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices).

23. VARIATION OF SETTLEMENT

If the applicable Final Terms indicate that the Issuer has the option to vary settlement in respect of the N&C Securities, the Issuer may at its sole and absolute discretion in respect of each such N&C Security give notice pursuant to N&C Security Condition 14 (Notices) no later than the tenth (10th) Business Day following the relevant Credit Event Determination Date, that the Settlement Method or Fallback Settlement Method (as applicable) specified in the applicable Final Terms shall be varied either:

- (i) where Cash Settlement is specified, from Cash Settlement to Physical Settlement; or
- (ii) where Physical Settlement is specified, from Physical Settlement to Cash Settlement.

24. STANDARD TERMS

If Standard Terms are specified as applicable in the applicable Final Terms, the provisions set out below in respect of the Standard Terms specified in the applicable Final Terms in respect of the relevant Reference Entity(s) set out in this Credit Linked Condition 24 shall apply.

Corporate Standard Terms

Part 1 – Corporate Standard Terms

Standard Terms	North American Corporate	North American High Yield Corporate	North American Monoline Insurer Corporate	European Corporate	European Insurance Corporate (Subordinated Debt)	Emerging European Corporate	Emerging European Corporate LPN	Australia & New Zealand Corporate	Japan Corporate	Singapore Corporate	Latin American Corporate B	Latin American Corporate B&L	Asia Corporate
All Guarantees	Not Applicable	Not Applicable	Not Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
Credit Event	Bankruptcy Failure to Pay Restructuring, if specified as applicable relevant Final Terms Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable	Bankruptcy Failure to Pay	Bankruptcy Failure to Pay Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable	Bankruptcy Failure to Pay Restructuring Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/ Moratorium Restructuring	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/ Moratorium Restructuring Multiple Holder Obligation: Applicable for Loans and Not Applicable for Bonds	Bankruptcy Failure to Pay Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable	Bankruptcy Failure to Pay Payment Requirement: Japanese Payment Requirement Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: Japanese Default Requirement Credit Linked Condition 15: Not Applicable	Bankruptcy Failure to Pay Restructuring	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/ Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Bankruptcy Failure to Pay Grace Period Extension: Applicable Obligation Acceleration Repudiation/ Moratorium Restructuring	Bankruptcy Failure to Pay Restructuring
Obligation Category	Borrowed Money	Borrowed Money	Borrowed Money	Borrowed Money	Borrowed Money	Bond Loan or	Bond or Loan	Borrowed Money	Borrowed Money	Bond or Loan	Bond	Bond or Loan	Bond or Loan

Corporate Standard Terms

Standard Terms	North American Corporate	North American High Yield Corporate	North American Monoline Insurer Corporate	European Corporate	European Insurance Corporate (Subordinated Debt)	Emerging European Corporate	Emerging European Corporate LPN	Australia & New Zealand Corporate	Japan Corporate	Singapore Corporate	Latin American Corporate B	Latin American Corporate B&L	Asia Corporate	
Obligation Characteristics	None	None	None	None	None	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	None	Not Subordinated	Not Subordinated Credit Linked Specified Currency Standard Specified Currencies & Domestic Currency Not Sovereign Lender	Not Subordinated Not Domestic Currency Not Domestic Law Not Domestic Issuance	Not Subordinated Not Sovereign Lender Not Domestic Currency Not Domestic Law Not Domestic Issuance	Not Subordinated Not Sovereign Lender Not Domestic Currency Not Domestic Law Not Domestic Issuance	
Deliverable Obligation Category / Valuation Obligation Category	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond or Loan	Bond	Bond or Loan	Bond or Loan	
Deliverable Obligation Characteristics / Valuation Obligation Characteristics	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer

Corporate Standard Terms

Standard Terms	North American Corporate	North American High Yield Corporate	North American Monoline Insurer Corporate	European Corporate	European Insurance Corporate (Subordinated Debt)	Emerging European Corporate	Emerging European Corporate LPN	Australia & New Zealand Corporate	Japan Corporate	Singapore Corporate	Latin American Corporate B	Latin American Corporate B&L	Asia Corporate
						Transferable Not Bearer		years Not Bearer		years Not Bearer		Not Bearer	Maximum Maturity: 30 years Not Bearer
Physical Settlement Period	As per definition of "Physical Settlement Period" in Credit Linked Condition 14 capped at 30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 14 capped at 30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 14 capped at 30 Business Days	30 Business Days	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 14	As per definition of "Physical Settlement Period" in Credit Linked Condition 14	30 Business Days	30 Business Days	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 14	As per definition of "Physical Settlement Period" in Credit Linked Condition 14	30 Business Days

Sovereign Standard Terms

Part 2 – Sovereign Standard Terms

Standard Terms	Asian Sovereign	Emerging European & Middle Eastern Sovereign	Australia & New Zealand Sovereign	Japan Sovereign	Singapore Sovereign	Latin America Sovereign	Western European Sovereign
All Guarantees	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
Credit Event	Failure to Pay Repudiation/ Moratorium Restructuring	Failure to Pay Grace Period Extension Applicable Obligation Acceleration Repudiation Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Failure to Pay Repudiation/ Moratorium Restructuring Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable	Failure to Pay Payment Requirement: Japanese Payment Requirement Repudiation/ Moratorium Restructuring Multiple Holder Obligation: Not Applicable Default Requirement: Japanese Default Requirement Credit Linked Condition 15: Not Applicable	Failure to Pay Repudiation/ Moratorium Restructuring	Failure to Pay Grace Period Extension Applicable Obligation Acceleration Repudiation Moratorium Restructuring Multiple Holder Obligation: Not Applicable	Failure to Pay Repudiation/ Moratorium Restructuring
Obligation Category	Bond or Loan	Bond	Borrowed Money	Borrowed Money	Bond or Loan	Bond	Borrowed Money
Obligation Characteristics	Not Subordinated Not Sovereign Lender Not Domestic Law Not Domestic Issuance Not Domestic Currency	Not Subordinated Not Domestic Law Not Domestic Issuance Not Domestic Currency	None	None	Not Subordinated Credit Linked Specified Currency: Standard Specified Currencies & Domestic Currency Not Sovereign Lender	Not Subordinated Not Domestic Law Not Domestic Issuance Not Domestic Currency	None

Sovereign Standard Terms

Standard Terms	Asian Sovereign	Emerging European & Middle Eastern Sovereign	Australia & New Zealand Sovereign	Japan Sovereign	Singapore Sovereign	Latin America Sovereign	Western European Sovereign
Deliverable Obligation Category / Valuation Obligation Category	Bond or Loan	Bond	Bond or Loan	Bond or Loan	Bond or Loan	Bond	Bond or Loan
Deliverable Obligation Characteristics / Valuation Obligation Characteristics	Not Subordinated Credit Linked Specified Currency Not Sovereign Lender Not Domestic Law Not Contingent Not Domestic Issuance Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer	Not Subordinated Credit Linked Specified Currency: Standard Specified Currency & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency: Standard Specified Currency & Domestic Currency Not Sovereign Lender Not Contingent Assignable Loan Transferable Maximum Maturity: 30 years Not Bearer	Not Subordinated Credit Linked Specified Currency Not Domestic Law Not Contingent Not Domestic Issuance Transferable Not Bearer	Credit Linked Specified Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer
Physical Settlement Period	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 14	30 Business Days	30 Business Days	30 Business Days	As per definition of "Physical Settlement Period" in Credit Linked Condition 14	30 Business Days

Inflation Index Technical Annex

INFLATION INDEX TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX LINKED SECURITIES

The terms and conditions applicable to Inflation Index Linked N&C Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "N&C Security Conditions") or the additional Terms and Conditions set out below (the "Inflation Index Linked Conditions"), (b) the General Terms and Conditions of the Warrants (the "Warrant Conditions") and the Inflation Index Linked Conditions, in each case, together with the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with, (i) in the case of N&C Securities, the N&C Security Conditions and the Inflation Index Linked Conditions, or (ii) in the case of Warrants, the Warrant Conditions and the Inflation Index Linked Conditions, as the case may be, the "Conditions") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or Warrant Conditions, as applicable, and the Inflation Index Linked Conditions, the Inflation Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or Warrant Conditions, as applicable, and/or the Inflation Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Inflation Index Linked Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" or "Warrant" and "Warrants" as the context admits and references to "Securityholder" shall be deemed to be references to "N&C Securityholder" or "Warrantholder" as the context admits.

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered Inflation Index Linked Condition are to such numbered section as set out in this Technical Annex. Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Determination Date, Hedging Party, Valuation Date or Averaging Date, as the case may be,) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Inflation Index Linked N&C Securities notwithstanding the same terms being used in another Technical Annex.

1. INFLATION INDEX LINKED N&C SECURITIES

This Inflation Index Linked Condition 1 will apply to N&C Securities only.

(a) Inflation Index Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to this Inflation Index Linked Technical Annex, each Inflation Index Linked Interest N&C Security will bear interest in the manner specified in the applicable Final Terms and the N&C Security Conditions.

(b) Inflation Index Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled, each N&C Security will be redeemed by the Issuer by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity.

2. INFLATION INDEX DELAY AND DISRUPTION PROVISIONS

(a) Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level for such Inflation Index with respect to the relevant Reference Month subject to such Delayed Index Level Event (the "**Substitute Index Level**") shall be determined by the Calculation Agent as follows:

- (i) if "Related Bond" is specified as applicable for such Inflation Index in the relevant Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond;

Inflation Index Technical Annex

- (ii) if (I) "Related Bond" is not specified as applicable for such Inflation Index in the relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

$$\text{Substitute Index Level} = \text{Base Level} \times \left(\frac{\text{Latest Level}}{\text{Reference Level}} \right); \text{ or}$$

- (iii) otherwise in accordance with any formula specified in the relevant Final Terms,

in each case as of such Determination Date,

where:

"Base Level" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

"Latest Level" means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

"Reference Level" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

The Issuer shall give notice to Securityholders, in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, of any Substitute Index Level calculated pursuant to this Inflation Index Linked Condition 1.

If the Relevant Level (as defined below) is published or announced at any time on or after the relevant Cut-off Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Inflation Index Linked Condition 1 will be the definitive level for that Reference Month.

(b) **Cessation of Publication**

If the Calculation Agent determines that the level for the Inflation Index has not been published or announced for two (2) consecutive months, the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index or the Inflation Index Sponsor otherwise cancels the Inflation Index, then the Calculation Agent shall determine a successor inflation index (the "**Successor Inflation Index**") (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Index Linked Securities by using the following methodology:

- (i) if at any time (other than after an early cancellation event has been designated by the Calculation Agent pursuant to Inflation Index Linked Condition 1(b)(v) below), a successor inflation index has been designated by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, such successor inflation index shall be designated a "Successor Inflation Index" notwithstanding that any other Successor Inflation Index may previously have been determined under Inflation Index Linked Conditions 1(b)(ii), 1(b)(iii) or 1(b)(iv) below;
- (ii) if a Successor Inflation Index has not been determined pursuant to Inflation Index Linked Condition 2(b)(i) above, and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the

Inflation Index Technical Annex

Inflation Index for purposes of the Inflation Index Linked Securities from the date that such replacement Inflation Index comes into effect;

- (iii) if a Successor Inflation Index has not been determined pursuant to Inflation Index Linked Conditions 2(b)(i) or 2(b)(ii) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If four or five responses are received and, of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If three responses are received and two or more leading independent dealers state the same index, this index will be deemed the "Successor Inflation Index". If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this Inflation Index Linked Condition 2(b)(iii), the Calculation Agent will proceed to Inflation Index Linked Condition 2(b)(iv) below;
- (iv) if no replacement index or Successor Inflation Index has been determined under Inflation Index Linked Conditions 2(b)(i), 2(b)(ii) or 2(b)(iii) above by the next occurring Cut-Off Date, the Calculation Agent, subject as provided below, will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed a "Successor Inflation Index"; or
- (v) if the Calculation Agent determines that there is no appropriate alternative index in relation to Inflation Index Linked Securities, on giving notice to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable, the Issuer shall redeem or cancel, as applicable all but not some only of the Inflation Index Linked Securities, each Inflation Index Linked Security being redeemed or cancelled, as applicable by payment of the relevant Early Redemption Amount, in the case of N&C Securities, or Early Cancellation Amount, in the case of Warrants. Payments will be made in such manner as shall be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable.

(c) **Rebasing of the Inflation Index**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make adjustments as are made by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, if "Related Bond" is specified as applicable in the applicable Final Terms, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased.

(d) **Material Modification Prior to Last Occurring Cut-Off**

If, on or prior to the last occurring Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments, if "Related Bond" is specified as applicable in the applicable Final Terms, consistent with adjustments made to the Related Bond, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

(e) **Manifest Error in Publication**

With the exception of any corrections published after the day which is three (3) Business Days prior to the relevant Maturity Date, in the case of N&C Securities, or Settlement Date, in the case of Warrants, if, within thirty (30) calendar days of publication, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent may, in its discretion, make such adjustments to the terms of the Inflation Index Linked Securities as it

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determines appropriate to account for the correction and will notify the Securityholders of any such adjustments in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable.

(f) **Consequences of an Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem or cancel, as applicable, all but not some of the Inflation Index Linked Securities on the date notified by the Calculation Agent to Securityholders in accordance with N&C Security Condition 14 (Notices) or Warrant Condition 11 (Notices), as applicable by payment of the relevant Early Redemption Amount, in the case of N&C Securities, or Settlement Date, in the case of Warrants, as at the date of redemption or cancellation, as applicable, taking into account the relevant Additional Disruption Event.

3. INFLATION INDEX DISCLAIMER

The Securities are not sponsored, endorsed, sold or promoted by the Inflation Index or the Inflation Index Sponsor and the Inflation Index Sponsor does not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Inflation Index and/or the levels at which the Inflation Index stands at any particular time on any particular date or otherwise. Neither the Inflation Index nor the Inflation Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Inflation Index and the Inflation Index Sponsor is under no obligation to advise any person of any error therein. The Inflation Index Sponsor is not making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. Neither the Issuer nor the Guarantor shall have liability to the Securityholders for any act or failure to act by the Inflation Index Sponsor in connection with the calculation, adjustment or maintenance of the Inflation Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer nor the Guarantor nor their Affiliates has any affiliation with or control over the Inflation Index or the Inflation Index Sponsor or any control over the computation, composition or dissemination of the Inflation Index. Although the Calculation Agent will obtain information concerning the Inflation Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Inflation Index.

4. DEFINITIONS

For the purpose of the Inflation Index Linked Securities:

"Additional Disruption Event" means any of Change in Law, Hedging Disruption or Increased Cost of Hedging, and any other event specified in the applicable Final Terms.

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms):

- (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or
- (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority),

the Calculation Agent determines in its discretion that (i) it has become illegal to hold, acquire or dispose of any relevant hedging arrangements in respect of the Inflation Index, (ii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, any of its Affiliates or any other Hedging Party), or (iii) the performance of the Guarantor under the Guarantee has become unlawful.

"Cut-Off Date" means, in respect of a Determination Date, five (5) Business Days prior to any due date for payment under the Securities for which valuation on the relevant Determination Date is relevant, unless otherwise stated in the applicable Final Terms.

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"Delayed Index Level Event" means, in respect of any Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the **"Relevant Level"**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

"Determination Date" means each date specified as such in the applicable Final Terms.

"End Date" means each date specified as such in the applicable Final Terms.

"Fallback Bond" means, in respect of an Inflation Index, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the End Date specified in the applicable Final Terms, (b) the next longest maturity after the End Date if there is no such bond maturing on the End Date, or (c) the next shortest maturity before the End Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but notwithstanding the immediately prior sentence, selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

"Hedging Disruption" means that any Hedging Party 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 relevant price risk of the Issuer (or the Guarantor (as appropriate)) issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Calculation Agent.

"Hedging Party" means at any relevant time, the Issuer, or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Securities as the Issuer may select at such time.

"Increased Cost of Hedging" means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest rate risk) of the Issuer (or the Guarantor (as appropriate)) issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Inflation Index" means each inflation index specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Inflation Index Sponsor" means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index which, as of the Issue Date, is the Inflation Index Sponsor specified in the applicable Final Terms.

"Reference Month" means the calendar month for which the level of the Inflation Index is reported as specified in the applicable Final Terms, regardless of when this information is published or announced; except that if the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level is reported.

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"Related Bond" means, in respect of an Inflation Index, the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is "Fallback Bond", then, for any Related Bond determination, the Calculation Agent shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond. If a bond is specified as the Related Bond in the applicable Final Terms and that bond redeems or matures before the End Date (i) unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination and (ii) if "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond.

"Relevant Level" has the meaning set out in the definition of "Delayed Index Level Event" above.

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COMMODITY TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR COMMODITY LINKED N&C SECURITIES

The terms and conditions applicable to Commodity Linked N&C Securities shall comprise the General Terms and Conditions of the N&C Securities (the "N&C Security Conditions"), the additional Terms and Conditions set out below (the "Commodity Linked Conditions") and the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with the N&C Security Conditions and the Commodity Linked Conditions, the "Conditions"), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions and the Commodity Linked Conditions, the Commodity Linked Conditions shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions and/or the Commodity Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

References below to a numbered N&C Security Condition are to such numbered section of the N&C Security Conditions and references to a numbered Commodity Linked Condition are to such numbered section as set out in this Technical Annex. Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Exchange or Delivery Date) shall have the meanings given in this Technical Annex or in the section of the Final Terms relating to Commodity Linked N&C Securities notwithstanding the same terms being used in another Technical Annex.

1. COMMODITY LINKED N&C SECURITIES

(a) Commodity Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to these Commodity Linked Conditions, each Commodity Linked Interest N&C Security will bear interest in the manner specified in the applicable Final Terms and the N&C Security Conditions.

(b) Commodity Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled, each Commodity Linked Redemption N&C Security will be redeemed by the Issuer by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms, on the Maturity Date.

2. MARKET DISRUPTION AND DISRUPTION FALLBACK

If, in the opinion of the Calculation Agent, a Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Price for that Pricing Date will be determined by the Calculation Agent, in accordance with the first applicable Disruption Fallback (as set out below) that provides a Relevant Price. Subject as provided in Commodity Linked Condition 4(a), the provision of this Commodity Linked Condition 2 and each Business Day or Trading Day Convention set out in Commodity Linked Condition 8 will be applied separately in relation to each Commodity or Commodity Index.

(a) Market Disruption Event

"**Market Disruption Event**" means an event that in the determination of the Calculation Agent would give rise to or require an alternative basis for determining a Relevant Price were the event to occur or exist on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published or announced by the Price Source). Without limitation this shall include the occurrence of any of the following events:

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- (i) with respect to all Commodities:
 - (A) Price Source Disruption;
 - (B) Commodity Trading Disruption;
 - (C) Disappearance of Commodity Reference Price;
 - (D) Commodity Tax Disruption;
 - (E) any additional Market Disruption Events as specified in the applicable Final Terms; and
- (ii) with respect to all Commodities other than Bullion:
 - (A) Material Change in Formula;
 - (B) Material Change in Content; and
- (iii) with respect to a Commodity Index:
 - (A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price or (y) closing price for any futures contract included in the Commodity Index;
 - (B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or
 - (C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

(b) **Disruption Fallback**

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the relevant Securities. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, the following Disruption Fallbacks will be deemed to have been specified and be applicable and shall mean subject as provided in the final paragraph of this Commodity Linked Condition 2:

- (i) with respect to a relevant Commodity, (in the following order):
 - (A) Fallback Reference Price (if applicable);
 - (B) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of consecutive Commodity Business Days (or Bullion Business Days in respect of Bullion) specified as the applicable Specified Maximum Days of Disruption provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within the Specified Maximum Days of Disruption); and

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- (C) Calculation Agent Determination;
- (ii) with respect to a Commodity Index the Calculation Agent shall determine the Relevant Price subject as provided below by:
 - (A) using:
 - I. with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event on such Pricing Date, the closing prices of each such futures contract on the applicable exchange on such Pricing Date; and
 - II. with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event on such Pricing Date, the closing prices of each such futures contract on the first Futures Trading Day following such Pricing Date on which no Market Disruption Event is occurring with respect to such futures contract,

in each case as of the Fallback Pricing Date.

- (B) If a Fallback Pricing Date is specified in the applicable Final Terms to be applicable to any Pricing Date for a Commodity Index, and if:
 - I. following adjustment of such Pricing Date on account of the Scheduled Pricing Date not being a Trading Day, the Pricing Date would otherwise fall after the specified Fallback Pricing Date, then such Fallback Pricing Date shall be deemed to be such Pricing Date for such Commodity Index. If such Fallback Pricing Date is not a Trading Day for the Commodity Index, then the Calculation Agent will determine the Commodity Reference Price for the applicable Commodity Index, taking into consideration the latest available level of the Commodity Index and any other information that in good faith it deems relevant of such Commodity Index on such Fallback Pricing Date, and such determination by the Calculation Agent pursuant to this Commodity Linked Condition 2 shall be deemed to be the Commodity Reference Price for such Commodity Index in respect of the relevant Pricing Date; and/or
 - II. the closing price of a futures contract comprised in the Commodity Index would otherwise be used for the purposes of determining the Commodity Reference Price above would fall after the specified Fallback Pricing Date following the adjustment set out in (A)(II) above, then the closing price of such futures contract will instead be taken on such Fallback Pricing Date, and such closing price for the Fallback Pricing Date will be determined by the Calculation Agent, taking into consideration the latest available closing price for such futures contract, and any other information that in good faith it deems relevant.

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

Where a Market Disruption Event with respect to one or more futures contracts included in the Commodity Index has occurred on the Scheduled Pricing Date and continues to exist for a number of Trading Days equal to the Specified Maximum Days of Disruption, the Calculation Agent shall determine the Relevant Price on the final such Trading Day. In calculating the Relevant Price as set out herein, the Calculation Agent shall use the formula for calculating the Commodity Reference Price last in effect prior to the Market Disruption Event.

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If any Disruption Fallbacks are specified in the applicable Final Terms, unless otherwise provided in the Final Terms, then only that or those (as the case may be) Disruption Fallbacks shall apply and if two or more Disruption Fallbacks are specified, those Disruption Fallbacks shall apply in the order as specified in the relevant Final Terms, such that if the Calculation Agent determines that the Commodity Reference Price cannot be determined by applying a Disruption Fallback, then the next Disruption Fallback specified shall apply, provided in all cases that, if the Commodity Reference Price cannot be determined using any Disruption Fallback so specified, then Calculation Agent Determination shall be deemed to apply.

3. FALLBACK PRICING DATES

In respect of a Commodity, and notwithstanding any other terms of the Commodity Linked Conditions applicable to a Commodity, if a Fallback Pricing Date is specified in the relevant Final Terms to be applicable to any Pricing Date and if, following adjustment of the original date on which the Pricing Date was scheduled to fall pursuant to the applicable Commodity Business Day Convention (or Bullion Business Day Convention) or, following the application of a Disruption Fallback pursuant to Commodity Linked Condition 2 (Market Disruption and Disruption Fallback) or adjustment of the Pricing Date pursuant to Commodity Linked Condition 4(a) (Common Pricing), the determination of a Commodity Reference Price, or the Pricing Date in respect of a Commodity, as applicable, would otherwise fall after the specified Fallback Pricing Date in respect of the Commodity, then the Fallback Pricing Date shall be deemed to be the Pricing Date for the Commodity.

If the Fallback Pricing Date is not a Commodity Business Day (or a Bullion Business Day), the Commodity Reference Price of such Commodity shall be subject to Calculation Agent Determination on such Fallback Pricing Date, and such determination by the Calculation Agent pursuant to this Commodity Linked Condition 3 shall be deemed to be the Commodity Reference Price in respect of the relevant Pricing Date.

4. TERMS RELATING TO CALCULATION OF PRICES

(a) Common Pricing

With respect to Commodity Linked N&C Securities relating to a Basket of Commodities, if "Common Pricing" is specified in the applicable Final Terms as:

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

All determinations made by the Calculation Agent pursuant to this Commodity Linked Condition will be conclusive and binding on the Securityholders and the Issuer except in the case of manifest error.

(b) Correction to Published Prices

For purposes of determining or calculating the Relevant Price for any day, if the price published or announced on a given day and used or to be used by the Calculation Agent to determine a Relevant Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days (or 90 calendar days, in connection with a weather index) after the original publication or announcement (or, if earlier the day falling two (2) Commodity Business Days (in the case of a Commodity), Bullion Business Days (in the case of Bullion) or Trading Days (in the case of a Commodity

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Index) preceding the date on which payment or delivery of any amount to be calculated by reference to such Relevant Price is due), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

5. ADJUSTMENTS TO A COMMODITY INDEX

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

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

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

If (in the determination of the Calculation Agent) on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as "**Index Adjustment Events**") calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

(c) Commodity Index Substitution

If the Calculation Agent determines, in its sole discretion, that it is not reasonably practicable or commercially reasonable (taking into account the costs involved) to calculate or continue to calculate the Commodity Index pursuant to the preceding paragraph, the Calculation Agent may rebase the N&C Securities against another index or basket of indices, as applicable, determined by the Calculation Agent to be comparable to the relevant Commodity Index, and, following such rebasing, the Calculation Agent will make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the N&C Securities to account for such rebasing.

(d) Early Redemption

If the Calculation Agent determines, in its sole discretion, that there is no such index or basket of indices comparable to the relevant Commodity Index, and/or that application of the preceding paragraphs would not achieve a commercially reasonable result, the Calculation Agent may determine that the N&C Securities shall be redeemed, in which event the Issuer will cause to be paid to each holder in respect of each N&C Security held by it an amount equal to the Early Redemption Amount (as defined in N&C Security Condition 7.7 (Early Redemption Amounts) and specified in the applicable Final Terms).

(e) Notices

On making any such adjustment or determination, the Calculation Agent shall give notice as soon as practicable to the Holders stating the adjustment to any amount payable under the N&C Securities, the determination and/or

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any of the other relevant terms and giving brief details of the Index Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Index Adjustment Event or any action taken.

6. COMMODITY INDEX DISCLAIMER

The N&C Securities are not sponsored, endorsed, sold, or promoted by the Commodity Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Commodity Index and/or the levels at which the Commodity Index stands at any particular time on any particular date or otherwise. No Commodity Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Commodity Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the N&C Securities. The Issuer and the Guarantor shall have no liability to the Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. Except as may be disclosed prior to the Issue Date and specified in the relevant Final Terms, none of the Issuer, the Guarantor, the Calculation Agent or any of their respective affiliates has any affiliation with or control over the Commodity Index or Index Sponsor or any control over the computation, composition, or dissemination of the Commodity Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, the Guarantor, their affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Commodity Index.

7. CONSEQUENCES OF AN ADDITIONAL DISRUPTION EVENT

Following the determination by the Calculation Agent that an Additional Disruption Event has occurred, the Calculation Agent may, in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner):

- (a) determine to make such adjustment to the interest, redemption, settlement, payment or any other terms of the N&C Securities as the Calculation Agent determines appropriate to account for such Additional Disruption Event; and/or
- (b) determine that the N&C Securities shall be redeemed, in which event the Issuer will cause to be paid to each Holder in respect of each N&C Securities held by it an amount equal to the Early Redemption Amount, as specified in the applicable Final Terms.

8. DEFINITIONS

"Additional Disruption Event" means (a) a Change in Law, (b) a Hedging Disruption and/or (c) an Increased Cost of Hedging.

"Averaging Date" means each date specified as an Averaging Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be subject to adjustment on the basis it is a Pricing Date (a) to which the Commodity Business Day Convention (in the case of a Commodity), the Bullion Business Day Convention (in the case of Bullion) and the Trading Day Convention (in the case of a Commodity Index) applied and (b) for the purposes of determining the consequences of a Disrupted Day occurring on any such day in accordance with the Commodity Linked Conditions.

"Bloomberg Screen" means, in respect of a Commodity Reference Price, when used in connection with any designated page, the display page so designated on the Bloomberg® service (or such other page as may replace that page on that service for the purpose of displaying prices comparable to such Commodity Reference Price, as determined by the Calculation Agent).

"Bullion" means each of gold, palladium, platinum and silver, and related expressions shall be construed accordingly.

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"Bullion Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York.

"Bullion Business Day Convention" means the convention for adjusting any Pricing Date or other relevant date if it would otherwise fall on a day that is not a Bullion Business Day. If the relevant Final Terms specify, in respect of such Pricing Date or other date, that:

- (a) **"Following"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Bullion Business Day, the Pricing Date or other date will be the first following day that is a Bullion Business Day;
- (b) **"Modified Following"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Bullion Business Day, the Pricing Date or other date will be the first following day that is a Bullion Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Bullion Business Day;
- (c) **"Nearest"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Bullion Business Day, the Pricing Date or other date will be (i) the first preceding day that is a Bullion Business Day if such date falls on a day other than a Sunday or Monday and (ii) the first following day that is a Bullion Business Day if such date falls on a Sunday or Monday;
- (d) **"Preceding"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Bullion Business Day, the Pricing Date or other date will be the first preceding day that is a Bullion Business Day; or
- (e) **"No Adjustment"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Bullion Business Day, the Pricing Date or other date will nonetheless be such Scheduled Pricing Date or other scheduled date.

If the relevant Final Terms does not specify an applicable Bullion Business Day Convention, then it shall be deemed that "Modified Following" shall apply.

"Calculation Agent Determination" means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

"CFTC" means the U.S. Commodity Futures Trading Commission or any successor.

"Change in Law" means that, on or after the Trade Date (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, application, exercise or operation by any court, tribunal or regulatory authority, exchange or trading facility or any other relevant entity with competent jurisdiction of any applicable law, rule, regulation, order, decision or determination (including, without limitation, any action taken by a taxing authority or as implemented by the CFTC), the Calculation Agent determines in good faith that (x) it has become illegal (or upon adoption, it will be illegal) to hold, acquire or dispose of any relevant commodity, futures contract, options contract, Hedge Position (in the aggregate on a portfolio basis or incrementally on a trade by trade basis) or other asset, or (y) the Hedging Party will incur a materially increased cost in performing its obligations in relation to the N&C Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"Commodity" and **"Commodities"** means, subject to adjustment in accordance with these Commodity Linked Conditions, in the case of an issue of Commodity Linked N&C Securities relating to a basket of Commodities, each commodity and, in the case of an issue of Commodity Linked N&C Securities relating to a single Commodity, the Commodity (each of which may include Bullion and which may refer to a specified futures contract for the purposes of determining a Commodity Reference Price), in each case specified in the applicable Final Terms and related expressions shall be construed accordingly.

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"Commodity Business Day" means, in respect of a single Commodity (other than Bullion) or a basket of Commodities (excluding any Bullion) and:

- (a) where the Commodity Reference Price for a Commodity is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which such Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time; and
- (b) where the Commodity Reference Price for a Commodity is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.

"Commodity Business Day Convention" means the convention for adjusting any Pricing Date or other relevant date if it would otherwise fall on a day that is not a Commodity Business Day. If the relevant Final Terms specify, in respect of such Pricing Date or other date, that:

- (a) **"Following"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Commodity Business Day, the Pricing Date or other date will be the first following day that is a Commodity Business Day;
- (b) **"Modified Following"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Commodity Business Day, the Pricing Date or other date will be the first following day that is a Commodity Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Commodity Business Day;
- (c) **"Nearest"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Commodity Business Day, the Pricing Date or other date will be (i) the first preceding day that is a Commodity Business Day if such date falls on a day other than a Sunday or Monday and (ii) the first following day that is a Commodity Business Day if such date falls on a Sunday or Monday;
- (d) **"Preceding"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Commodity Business Day, the Pricing Date or other date will be the first preceding day that is a Commodity Business Day; or
- (e) **"No Adjustment"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Commodity Business Day, the Pricing Date or other date will nonetheless be such Scheduled Pricing Date or other scheduled date.

If the relevant Final Terms does not specify an applicable Commodity Business Day Convention, then it shall be deemed that "Modified Following" shall apply.

"Commodity Index" means, subject to adjustment in accordance with the Commodity Linked Conditions, an index comprising various commodities or commodity prices or commodity futures contracts, as specified in the applicable Final Terms, and related expressions shall be construed accordingly.

"Commodity Reference Price" means (i) in respect of all Commodities, the Commodity Reference Price specified in the applicable Final Terms and (ii) in respect of a Commodity Index, the Commodity Reference Price specified in the applicable Final Terms, or if not so specified, the official published closing level of such Commodity Index on the relevant day as calculated and published by the applicable Index Sponsor or as otherwise determined by the Calculation Agent, subject as provided in the Commodity Linked Conditions.

"Commodity Tax Disruption" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference, the relevant Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the

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Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on a day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

"Commodity Trading Disruption" means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms.

For these purposes:

- (i) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day or Bullion Business Day shall be deemed to be material only if:
 - (A) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
 - (B) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day or any Bullion Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

"Delayed Publication or Announcement" means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day (or Bullion Business Day) on which the Market Disruption Event (as defined above) ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the Scheduled Pricing Date) or the Relevant Price continues to be unavailable for a number of consecutive Commodity Business Days (or consecutive Bullion Business Days) equal to the Specified Maximum Days of Disruption. In that case, the next Disruption Fallback (as defined below) will apply.

"Delivery Date" means, in respect of a Commodity Reference Price and a Pricing Date, either (i) the relevant date or month for delivery of the underlying Commodity (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as is specified in the applicable Final Terms or (ii) the relevant Nearby Month specified in the applicable Final Terms, provided that:

- (a) if the relevant Final Terms specify that **"Futures Contract – Expiry Date Roll"** shall be applicable in respect of a Commodity Reference Price, then "Delivery Date" shall mean, in respect of a Commodity Reference Price and the relevant Pricing Dates, the month of expiry of the first contract traded on the Exchange for the future delivery of such Commodity to expire after the relevant Pricing Date, PROVIDED THAT, for the avoidance of doubt, in the event that such Pricing Date for such Commodity Reference Price falls on the Last Trading Day for a contract traded on the Exchange for the future delivery of the relevant Commodity, then the "Delivery Date" for such Commodity Reference Price in relation to such Pricing Date shall be the month of expiry of the next contract for the future delivery of such Commodity to expire after (but not on) such Pricing Date.
- (b) if the relevant Final Terms specify that **"Futures Contract – Delivery Date Roll"** shall be applicable in respect of a Commodity Reference Price, then "Delivery Date" shall mean, in respect of a Commodity Reference Price and the relevant Pricing Dates, the month of expiry of the first contract traded on the Exchange for the future delivery of such Commodity to expire after the relevant Pricing Date, PROVIDED THAT, in the event that such Pricing Date for such Commodity Reference Price falls (i) in the period commencing on, and including, the First Notice Day of the Notice Period for Delivery of such contract to, but excluding, the Last Trading Day of such contract, then the "Delivery Date" for such Commodity Reference Price in relation to such Pricing Date shall instead be the month of expiry of the second contract for the future delivery of such Commodity to expire after such Pricing Date, or (ii) on the Last Trading Day for a contract traded on the Exchange for the future delivery of

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such Commodity, then the "Delivery Date" for such Commodity Reference Price in relation to such Pricing Date shall be the month of expiry of the next contract for the future delivery of such Commodity to expire after (but not on) such Pricing Date.

"Disappearance of Commodity Reference Price" means:

- (a) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;
- (b) the disappearance of, or of trading in, the Commodity; or
- (c) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

"Disrupted Day" means any Commodity Business Day (in respect of a Commodity) or Bullion Business Day (in respect of Bullion) or Trading Day (in respect of a Commodity Index) in relation to which a Market Disruption Event has occurred.

"Disruption Fallback" has the meaning given in Commodity Linked Condition 2(b).

"Exchange" means, in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Final Terms or Commodity Reference Price.

"Fallback Pricing Date" means, in respect of a Commodity or Commodity Index, the date(s) specified as such in the relevant Final Terms, or, if no date is specified for the Fallback Pricing Date in the relevant Final Terms, then the Fallback Pricing Date for any date on which the price of such Commodity or the level of such Commodity Index, as the case may be, is required to be determined shall be the second (2) Commodity Business Day (in the case of a Commodity), Bullion Business Day (in the case of Bullion) or Trading Day (in the case of a Commodity Index) prior to the next following date upon which any payment or delivery of assets may have to be made by the Issuer by reference to the price of such Commodity or the level of such Commodity Index, as the case may be, on such day.

"Fallback Reference Price" means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified as such in the applicable Final Terms and not subject to a Market Disruption Event. If no alternate Commodity Reference Price is specified in the applicable Final Terms, the next Disruption Fallback (as defined above) will apply.

"Final Valuation Date" means the date specified as a Final Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be subject to adjustment on the basis it is a Pricing Date (a) to which the Commodity Business Day Convention (in the case of a Commodity), the Bullion Business Day Convention (in the case of Bullion) and the Trading Day Convention (in the case of a Commodity Index) applied and (b) for the purposes of determining the consequences of a Disrupted Day occurring on any such day in accordance with the Commodity Linked Conditions.

"First Notice Day of the Notice Period for Delivery" means, in respect of the relevant Futures Contract, the "first notice day" for delivery of the relevant Commodity under such Futures Contract pursuant to the rules and regulations of the relevant Exchange, as at the relevant Pricing Date.

"Futures Contract" means, unless otherwise specified in the applicable Final Terms, and in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity or Commodity Index referred to in that Commodity Reference Price.

"Futures Trading Day" means, in respect of a Commodity Index and a futures contract comprised therein, each day on which the exchange on which such futures contract trades is open for trading.

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"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (a) positions or contracts in securities, options, futures, derivatives or foreign exchange or (b) other instruments or arrangements (howsoever described) in order to hedge individually or on a portfolio basis the Issuer's obligations under the N&C Securities.

"Hedging Disruption" means that the Hedging Party 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 risks of the Issuer issuing and the Issuer performing its obligations with respect to or in connection with the relevant N&C Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedging Party" means at any relevant time, the Issuer or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the N&C Securities as the Issuer may select at such time.

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

"Index Sponsor" means, in relation to a Commodity Index, the index sponsor specified for such Commodity Index in the applicable Final Terms or any Successor Index Sponsor and, if not specified, the corporation or other entity that, as determined by the Calculation Agent, (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index, and (b) announces (directly or through an agent) the level of such Commodity Index on a regular basis in respect of each Trading Day.

"Index Sponsor Business Centre", in respect of a Commodity Index, means the principal financial centre in which the Index Sponsor makes determinations and performs calculations for such Commodity Index as determined by the Calculation Agent.

"Initial Valuation Date" means the date specified as a Initial Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be subject to adjustment on the basis it is a Pricing Date (a) to which the Commodity Business Day Convention (in the case of a Commodity), Bullion Business Day Convention (in the case of Bullion) and the Trading Day Convention (in the case of a Commodity Index) applied and (b) for the purposes of determining the consequences of a Disrupted Day occurring on any such day in accordance with the Commodity Linked Conditions.

"Last Trading Day" means, in respect of the relevant Futures Contract, the final day during which trading may take place in such Futures Contract pursuant to the rules and regulations of the relevant Exchange, as at the relevant Pricing Date, as determined by the Calculation Agent.

"Market Disruption Event" has the meaning given it in Commodity Linked Condition 2(a).

"Material Change in Content" means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

"Material Change in Formula" means the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

"Nearby Month" when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) **"First Nearby Month"** means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) **"Second Nearby Month"** means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

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"Observation Period" means the period specified as the Observation Period in the applicable Final Terms.

"Postponement" means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day (or Bullion Business Day) on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for the number of consecutive Commodity Business Days (measured from and including the Scheduled Pricing Date) (or consecutive Bullion Business Days) equal to the Specified Maximum Days of Disruption in respect of such Commodity. In that case, the next Disruption Fallback specified in the definition of "Disruption Fallback" above will apply.

"Price Source" means the publication(s) and/or Screen Page(s) (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Final Terms provided that if the relevant Final Terms specify that "Futures Contract – Delivery Date Roll" or "Futures Contract – Expiry Date Roll" is applicable, then "Price Source" means the publication(s) and/or Screen Page(s) (or such other origin of reference, including an Exchange) as specified in the relevant Final Terms in order to reference the relevant Futures Contract on the relevant date and at the relevant time set forth in the applicable proviso relating to such Commodity in the definition of "Delivery Date".

"Price Source Disruption" means:

- (a) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or
- (b) the temporary or permanent discontinuance or unavailability of the Price Source.

"Pricing Date" has the meaning given it in the applicable Final Terms, subject to adjustment in accordance with the relevant Commodity Business Day Convention (in respect of a Commodity) or Bullion Business Day Convention (in respect of Bullion) or the relevant Trading Day Convention (in respect of a Commodity Index), as is applicable, and in accordance with the Commodity Linked Conditions.

"Relevant Price" means for any Pricing Date, the price, expressed as a price per unit of the relevant Commodity or the price or level of the relevant Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Commodity Linked Conditions and the applicable Final Terms.

"Reuters Screen" means, in respect of a Commodity Reference Price, when used in connection with any designated page, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying prices comparable to such Commodity Reference Price, as determined by the Calculation Agent).

"Scheduled Observation Date" means each date specified as a Scheduled Observation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be subject to adjustment (a) on the basis it is a Pricing Date to which the Commodity Business Day Convention (in the case of a Commodity), the Bullion Business Day Convention (in the case of Bullion) and the Trading Day Convention (in the case of a Commodity Index) applied and (b) for the purposes of determining the consequences of a Disrupted Day occurring on any such day in accordance with the Commodity Linked Conditions.

"Scheduled Pricing Date" means, in respect of a Pricing Date, the original day scheduled as such Pricing Date, prior to any adjustment or postponement thereof.

"Screen Page" means, in respect of a Commodity Reference Price, the Bloomberg Screen page and/or the Reuters Screen page and/or such other screen page of such other information provider, on which relevant information for such Commodity Reference Price is reported or published, as is specified in the relevant Final Terms.

"Specified Maximum Days of Disruption" means, unless otherwise specified in the applicable Final Terms, such number of Commodity Business Days (or, in the case of Bullion, Bullion Business Days or, in the case of a Commodity Index, Trading Days) in the period from (but excluding) the Scheduled Pricing Date to (but excluding) the fifth (5) Commodity Business Day (or, in the case of Bullion, Bullion Business Day or in the case of a Commodity Index, Trading Day), prior to

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any due date for any payment or delivery under the Securities for which determination of the relevant Commodity Reference Price on the applicable Pricing Date is relevant.

"Specified Price" means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (F) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing price; (M) the afternoon fixing price; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

"Successor Index" has the meaning ascribed to in Commodity Linked Condition 5 above.

"Successor Index Sponsor" has the meaning ascribed to in Commodity Linked Condition 5 above.

"Trade Date" means the day specified as such in the applicable Final Terms.

"Trading Day" means a day when:

- (i) the Index Sponsor is open for business in the Index Sponsor Business Centre; and
- (ii) the exchanges of all futures contracts included in or that contribute to the relevant Commodity Reference Price are open for trading.

"Trading Day Convention" means, in respect of a Commodity Index, the convention for adjusting any Pricing Date or other relevant date if it would otherwise fall on a day that is not a Trading Day. If the relevant Final Terms specify, in respect of such Pricing Date or other date, that:

- (i) **"Following"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Trading Day, the Pricing Date or other date will be the first following day that is a Trading Day;
- (ii) **"Modified Following"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Trading Day, the Pricing Date or other date will be the first following day that is a Trading Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Trading Day;
- (iii) **"Nearest"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Trading Day, the Pricing Date or other date will be (i) the first preceding day that is a Trading Day if such date falls on a day other than a Sunday or Monday and (ii) the first following day that is a Trading Day if such date falls on a Sunday or Monday;
- (iv) **"Preceding"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Trading Day, the Pricing Date or other date will be the first preceding day that is a Trading Day; or
- (v) **"No Adjustment"** shall apply to such Pricing Date or other date, then if the Scheduled Pricing Date or other scheduled date corresponding to such date is not a Trading Day, the Pricing Date or other date will nonetheless be such Scheduled Pricing Date or other scheduled date.

If the relevant Final Terms does not specify an applicable Trading Day Convention, then it shall be deemed that "Modified Following" shall apply.

"Unit" means the unit of measure of the relevant Commodity, as specified in the relevant Commodity Reference Price or the relevant Final Terms.

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"Valuation Date" means each date specified as a Valuation Date in the applicable Final Terms, which, unless otherwise specified in the applicable Final Terms, shall be subject to adjustment (a) on the basis it is a Pricing Date to which the Commodity Business Day Convention (in the case of a Commodity), the Bullion Business Day Convention (in the case of Bullion) and the Trading Day Convention (in the case of a Commodity Index) applied and (b) for the purposes of determining the consequences of a Disrupted Day occurring on any such day in accordance with the Commodity Linked Conditions.

Property Index Technical Annex

PROPERTY INDEX TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR PROPERTY INDEX LINKED SECURITIES

*The terms and conditions applicable to Property Index Linked Securities shall comprise (a) the General Terms and Conditions of the N&C Securities (the "**N&C Security Conditions**") and the additional Terms and Conditions set out below (the "**Property Index Linked Conditions**") or (b) the General Terms and Conditions of the Warrants (the "**Warrant Conditions**") and the Property Index Linked Conditions, in each case, together with the Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with, (i) the N&C Security Conditions and the Property Index Linked Conditions, or (ii) the Warrant Conditions and the Property Index Linked Conditions, as the case may be, the "**Conditions**") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions or Warrant Conditions, as applicable, and the Property Index Linked Conditions, the Property Index Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions or Warrant Conditions, as applicable, and/or the Property Index Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Property Index Linked Conditions to "**Security**" and "**Securities**" shall be deemed to be references to "**N&C Security**" and "**N&C Securities**" or "**Warrant**" and "**Warrants**" as the context admits and references to "**Securityholder**" shall be deemed to be references to "**N&C Securityholder**" or "**Warrantholder**" as the context admits.*

References below to a numbered N&C Security Condition or Warrant Condition, as the case may be, are to such numbered section of the N&C Security Conditions or Warrant Conditions, as applicable, and references to a numbered Property Index Linked Condition are to such numbered section as set out in this Property Indices Technical Annex.

Defined terms used in this Technical Annex where the same term may be used in another Technical Annex (e.g. Index Level) will have the meanings given in this Technical Annex or in the section of the Final Terms relating to Property Index Linked Securities.

1. PROPERTY INDEX LINKED N&C SECURITIES

This Property Index Linked Condition 1 will only apply to N&C Securities.

(a) Property Index Linked Interest N&C Securities

Unless previously redeemed or purchased and cancelled in accordance with the N&C Security Conditions or as specified in the applicable Final Terms and subject to these Property Index Linked Conditions, each Property Index Linked Interest N&C Security will bear interest in the manner specified in the applicable Final Terms and the N&C Security Conditions.

(b) Property Index Linked Redemption N&C Securities

Unless previously redeemed or purchased and cancelled, each N&C Security will be redeemed by the Issuer by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date (subject as provided below).

2. PROPERTY INDEX DELAY AND DISRUPTION PROVISIONS

(a) Rebasing of the Property Index

If the Calculation Agent determines that a Property Index has been or will be Rebased at any time (the Property Index as so Rebased, the "**Rebased Index**"), the Rebased Index will be used for the purposes of determining the level of the Property Index from the date of such Rebased, provided however that the Calculation Agent will adjust the terms of the Securities so that the use of the Rebased Index reflects what would have been the performance of the Property Index had the Rebased not occurred save that any such Rebased will not affect any prior payments or valuations (if any) under the Securities.

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(b) **Error in Publication**

If the Calculation Agent determines that an Error in Publication has occurred with respect to the Property Index, the Calculation Agent may (a) use the corrected level of the Property Index to make any relevant calculations and/or (b) make any necessary adjustments to the relevant Index Level and such other terms of the Securities as it in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) determines to be appropriate to account for such Error in Publication.

For these purposes:

An "**Error in Publication**" will occur if the Property Index Sponsor announces that an error has occurred with respect to the Index Level as published on any Publication Date; the Index Level for such Publication Date is corrected to remedy such error; and the correction is published by the Property Index Sponsor at any time prior to the Maturity Date, in the case of N&C Securities, or the Settlement Date, in the case of Warrants. An Error in Publication will not include a routine revision in the level of the Property Index in a regularly scheduled republication of the Property Index, such a scheduled republication not being relevant for the purposes of these Property Index Linked Conditions.

(c) **Delay in Publication**

If any relevant Index Level has not been announced by the second Business Day preceding the date on which any amount calculated in whole or in part by reference to such Index Level falls to be due and payable pursuant to the Securities (a "**Property Index Linked Payment Date**") then such amount will not be payable on such Property Index Linked Payment Date and the following will apply:

- (i) if a Cure Period is specified as Applicable in the applicable Final Terms, then:
 - (1) if the Property Index Sponsor publishes the relevant Index Level within the Cure Period, then such Property Index Linked Payment Date will be deferred until the second Business Day following the date of publication of the relevant Index Level and all relevant amounts will be calculated by reference to such Index Level;
 - (2) if the Property Index Sponsor publishes a Provisional Index Level within the Cure Period, then such Property Index Linked Payment Date will be deferred until the second Business Day following the end of the Cure Period and (unless (i) above then applies) such Provisional Index Level of the Property Index will apply for the purposes of the Securities and all relevant amounts will be calculated by reference to such Provisional Index Level; or
 - (3) if the Property Index Sponsor fails to publish either the Index Level or a Provisional Index Level prior to the end of the Cure Period, a Delayed Publication Disruption Event will occur and Property Index Linked Condition 2(e) below will apply; or
- (ii) if Cure Period is specified as Not Applicable in the applicable Final Terms, then:
 - (1) if the Property Index Sponsor publishes a Provisional Index Level prior to the second Business Day preceding the Property Index Linked Payment Date, such Provisional Index Level will apply for the purposes of the Securities and all relevant amounts will be calculated by reference to such Provisional Index Level; or
 - (2) if the Property Index Sponsor fails to publish a Provisional Index Level prior to the second Business Day preceding the Property Index Linked Payment Date, a Delayed Publication Disruption Event will occur and Property Index Linked Condition 2(e) below will apply.

No additional interest will accrue as a result of a deferral of any Property Index Linked Payment Date.

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The Calculation Agent will give notice to Securityholders as soon as practicable in accordance with N&C Security Condition 14 (Notices) (in the case of N&C Securities) or Warrant Condition 11 (Notices) (in the case of Warrants) of (i) a delay in publication pursuant to this Property Index Linked Condition 2(c) and (ii) any amounts that are payable to such Securityholders as a result of the delayed publication of the Index Level pursuant to Property Index Linked Condition 2(c)(i) or (ii) above.

For these purposes:

"**Cure Period**" means, in respect of any Property Index Linked Payment Date, the period, if any, specified as such in the applicable Final Terms.

(d) **Methodology Adjustment and Index Discontinuance**

If the Property Index Sponsor announces that it has changed the methodology in calculating a Property Index and:

- (a) nonetheless continues the publication of an index based on the original methodology (such Property Index, a "**Replacement Property Index**") such Replacement Property Index will apply in lieu of the original Property Index in relation to the Securities; or
- (b) discontinues publication of the Property Index based on the original methodology (an "**Index Discontinuance**"), Property Index Linked Condition 2(e) below will apply.

(e) **Index Disruption Procedure**

Following the occurrence of an Index Disruption Event, the Issuer will, in its sole and absolute discretion, determine whether or not the Securities will continue or be cancelled.

If the Issuer determines that the Securities will continue, the Calculation Agent may make such adjustment to the terms of the Securities which it considers, in its sole and absolute discretion (acting in good faith and in a reasonable manner), to be appropriate in order to preserve for the Securityholders the economic value of the Securities. Without limitation this may include (i) selecting a replacement Property Index (such Property Index, a "**Replacement Property Index**") and, following the selection of such, determining the appropriate level for such Replacement Property Index and the date on which such Replacement Property Index will take effect on the Securities or (ii) adjusting any method for determination or calculating payments under the Securities. If the Issuer determines that the Securities will be cancelled it will redeem (in the case of N&C Securities) or cancel (in the case of Warrants) the Securities by giving notice to the Securityholders in accordance with N&C Security Condition 14 (Notices) (in the case of N&C Securities) or Warrant Condition 11 (Notices) (in the case of Warrants). If the Securities are so redeemed or cancelled, as the case may be, the Issuer will pay each Securityholder the Early Redemption Amount (in the case of N&C Securities) or the Early Cancellation Amount (in the case of Warrants) in respect of each Security held by such Securityholder. Payments will be made in such manner as will be notified to the Securityholders in accordance with N&C Security Condition 14 (Notices) (in the case of N&C Securities) or Warrant Condition 11 (Notices) (in the case of Warrants).

3. **NOTICE**

In the event that the provisions of Property Index Linked Conditions 2(a), 2(b), 2(c), 2(d) and/or 2(e) above apply in respect of the Securities, the Issuer will give notice to Securityholders as soon as practicable in accordance with N&C Security Condition 14 (Notices) (in the case of N&C Securities) or Warrant Condition 11 (Notices) (in the case of Warrants) of the occurrence of the relevant event and the action proposed in relation thereto.

4. **ADDITIONAL DISRUPTION EVENT**

"**Additional Disruption Event**" means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, and/or any other event specified in the applicable Final Terms as such.

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- (a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may either:
- (i) require the Calculation Agent to determine in its sole and absolute discretion (or, in the case of Italian Securities, in good faith and in a reasonable manner) the appropriate adjustment, if any, to be made to any of the terms of the Securities to account for the Additional Disruption Event and determine the effective date of that adjustment;
 - (ii) in the case of N&C Securities, redeem the N&C Securities by giving notice to the Securityholders in accordance with N&C Security Condition 14 (Notices). If the N&C Securities are so redeemed the Issuer will pay each N&C Securityholder the Early Redemption Amount in respect of each N&C Security held by him. Payments will be made in such manner as will be notified to the N&C Securityholders in accordance with N&C Security Condition 14 (Notices); or
 - (iii) in the case of Warrants, cancel the Warrants by giving notice to the Warrantholders in accordance with Warrant Condition 11 (Notices). If the Warrants are so cancelled the Issuer will pay each Warrantholder the Early Cancellation Amount in respect of each Warrant held by him. Payments will be made in such manner as will be notified to the Warrantholders in accordance with Warrant Condition 11 (Notices).
- (b) Upon the occurrence of an Additional Disruption Event, the Issuer will give notice as soon as practicable to the Securityholders in accordance with N&C Security Condition 14 (Notices) (in the case of N&C Securities) or Warrant Condition 11 (Notices) (in the case of Warrants) stating the occurrence of the Additional Disruption Event (including giving details thereof) and the action proposed to be taken in relation thereto.

5. INDEX DISCLAIMER

The Securities are not sponsored, endorsed, sold or promoted by any Property Index or any Property Index Sponsor and no Property Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Property Index and/or the levels at which the Property Index stands at any particular time on any particular date or otherwise. No Property Index or Property Index Sponsor will be liable (whether in negligence or otherwise) to any person for any error in the Property Index and the Property Index Sponsor is under no obligation to advise any person of any error therein. No Property Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer (or, if applicable, the Guarantor) will have no liability to the Securityholders for any act or failure to act by the Property Index Sponsor in connection with the calculation, adjustment or maintenance of the Property Index. Except as disclosed prior to the Issue Date specified in the applicable Final Terms, neither the Issuer (or, if applicable, the Guarantor) nor its Affiliates has any affiliation with or control over the Property Index or Property Index Sponsor or any control over the computation, composition or dissemination of the Property Index. Although the Calculation Agent will obtain information concerning any Property Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Property Index.

6. INTERPRETATION

The following expressions have the meanings set out below:

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), 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 Issuer determines in its sole and absolute discretion that (i) it has become illegal for it or any of its Affiliates or any Hedging Party to hold, acquire or dispose of any relevant hedge position(s) relating to a Property Index, or (ii) the Hedging Party will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any

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increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates or any Hedging Party), or (iii) the performance of the Guarantor under the Guarantee has become unlawful;

"Data Pool" means the pool of properties underlying a Property Index;

"Delayed Publication Disruption Event" means either of the events described in Property Index Linked Condition 2(c)(i)(3) and 2(c)(ii)(2);

"Hedging Disruption" means that the Hedging Party 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) the Issuer deems necessary to hedge the property index price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (B) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s);

"Hedging Party" means the Issuer or any Affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer in any underlying or hedging transactions relating to a Property Index in respect of the Issuer's obligations under the Securities;

"Increased Cost of Hedging" means that the Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, property index price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates will not be deemed an Increased Cost of Hedging;

"Index Disruption Event" means any of the following events:

- (a) a Delayed Publication Disruption Event; and/or
- (b) an Index Discontinuance;

"Index Level" means, with respect to a period or a date, the final level of the relevant Property Index for such period or date, as the case may be, as published by the Property Index Sponsor (or otherwise determined as set out in the applicable Final Terms);

"Publication Date" means, in respect of a Property Index, each date on which such Property Index is published by the Property Index Sponsor;

"Property Index" means (i) each index specified as such in the applicable Final Terms, or (ii) any Replacement Property Index;

"Property Index Sponsor" means the entity that publishes the level of the relevant Property Index as specified in the applicable Final Terms;

"Provisional Index Level" means, with respect to a period or a date, any provisional level of the relevant Property Index for such period or date, as the case may be, as published and howsoever defined by the Property Index Sponsor (or otherwise determined as set out in the applicable Final Terms);

"Rebasing" means the revaluation of a Property Index by the Property Index Sponsor by the application of a new Reference Price, without amendment to the formula for or the method of calculating the Property Index, and **"Rebased"** will be construed accordingly;

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"Reference Price" means the historic value of the Data Pool used by the Property Index Sponsor as the benchmark for a Property Index; and

"Replacement Property Index" means any Property Index specified as such pursuant to Property Index Linked Conditions 2(d) and 2(e) above.

ITALIAN SECURITIES TECHNICAL ANNEX

ADDITIONAL TERMS AND CONDITIONS FOR ITALIAN SECURITIES

The terms and conditions applicable to Italian Securities shall comprise the General Terms and Conditions of the N&C Securities (the "N&C Security Conditions") and the additional Terms and Conditions set out below (the "Italian Securities Conditions") together with any Terms and Conditions as set out in each other Technical Annex which is specified as applicable in the applicable Final Terms (together with the N&C Security Conditions and the Italian Securities Conditions, the "Conditions") and, in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the N&C Security Conditions and the Italian Securities Conditions, the Italian Securities Conditions shall prevail. In the event of any inconsistency between (i) the N&C Security Conditions and/or the Italian Securities Conditions and (ii) the Final Terms, the Final Terms shall prevail. References in the Italian Securities Conditions to "Security" and "Securities" shall be deemed to be references to "N&C Security" and "N&C Securities" as the context admits and references to "Securityholder" shall be deemed to be references to "N&C Securityholder" as the context admits.

References below to a numbered N&C Security Condition are to such numbered section of the N&C Security Conditions and references to a numbered Italian Securities Condition are to such numbered section as set out in this Technical Annex.

1. Italian SeDeX Securities as "certificates"

Italian Securities will be deemed to be "certificates" for the purposes of Article (2) letter (g) of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Solely for the purposes thereof and notwithstanding anything to the contrary in the Conditions or in the Bearer Global N&C Securities:

- (a) Italian SeDeX Securities shall be deemed to be automatically exercised at the Renoucement Notice Cut-off Time;
- (b) for so long as the Italian SeDeX Securities are listed on the Italian Stock Exchange, the Italian SeDeX Securities will be deemed to expire at the Renoucement Notice Cut-off Time (*Data di Scadenza*) and trading in the Italian SeDeX Securities on the Italian Stock Exchange will cease at such time; and
- (c) references in the Conditions and the Bearer Global N&C Securities to "**interest**", "**redemption**" and "**redeem**" shall be construed as references to "**premium**", "**termination**" and "**terminate**".

2. Renoucement Provisions

For so long as the Italian SeDeX Securities are admitted to listing on Borsa Italiana S.p.A. and to trading on the SeDeX, then at any time prior to the Renoucement Notice Cut-Off Time, any N&C Securityholder may renounce automatic exercise of any N&C Securities held by such N&C Securityholder in accordance with the rules of the Italian Stock Exchange applicable from time to time by giving a duly completed Renoucement Notice to the relevant clearing system with a copy to the Issuer and the Paying Agent. Once delivered a Renoucement Notice shall be irrevocable and the relevant N&C Securityholder may not transfer the N&C Securities the subject of the Renoucement Notice. If a duly completed Renoucement Notice is validly delivered prior to the Renoucement Notice Cut-off Time, the relevant N&C Securityholder will not be entitled to receive any amounts payable by the Issuer in respect of relevant N&C Securities and the Issuer shall have no further liability in respect of such amounts.

Any determination as to whether a Renoucement Notice is duly completed and in proper form shall be made by the relevant clearing system (in consultation with the Issuer and Paying Agent) and shall be conclusive and binding on the Issuer, the Paying Agent and the relevant N&C Securityholder.

Subject as follows, any Renoucement Notice determined to be incomplete or not in proper form shall be null and void. If such Renoucement Notice is subsequently corrected to the satisfaction of the relevant clearing system in consultation with the Issuer and Paying Agent, it shall be deemed to be a new Renoucement Notice submitted at the time such correction was delivered to the relevant clearing system, with a copy to the Issuer and the Paying Agent.

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3. Dual Currency Provisions

If the Settlement Currency of the N&C Securities is a different currency to the currency of the Calculation Amount, then any Settlement Amount payable in respect of the N&C Securities shall be converted into the Settlement Currency by reference to the applicable Exchange Rate determined on the Business Day following the date on which such Settlement Amount is determined.

4. Settlement

Italian Securities may be cleared through the bridge account of Monte Titoli S.p.A.

5. Amendments to the Conditions

For so long as the Italian Securities are listed on the regulated market organized and managed by Borsa Italiana S.p.A. and the rules of Borsa Italiana S.p.A. as interpreted by it so require, for the purpose of the Italian Securities, the Issuer may make, without the Securityholders' consent, any amendments to the contractual provisions set out in or referred to in the N&C Security Conditions or in the Final Terms, which are deemed to be necessary or appropriate in order to remove ambiguities or inaccuracies or correct formal mistakes, provided that such amendments are not detrimental to Securityholders' interest. The contractual provisions set out in or referred to in the N&C Security Conditions or in the Final Terms may also be amended by the Issuer, without the Securityholders' consent, where so required by the applicable laws and regulations, including the regulations of Borsa Italiana S.p.A. The Issuer will notify the Securityholders of such amendments by means of a notice published on its website and/or any other method provided for the securities listed on SeDeX.

6. Notices

In addition to the provisions of N&C Security Condition 14 (Notices), for so long as the Italian Securities are admitted to listing on the Italian Stock Exchange, any notice to the Securityholders relating to the Italian Securities shall also be notified to Borsa Italiana.

7. Definitions

"Italian MOT Securities" means Italian Securities which are listed and admitted to trading on the MOT.

"Italian Securities" means N&C Securities specified in the applicable Final Terms to be Italian Securities and references in the Conditions to "N&C Securities" shall be deemed to include reference to "Italian Securities" unless otherwise specified or the context otherwise requires.

"Italian SeDeX Securities" means Italian Securities which are listed and admitted to trading on the "Electronic Securities Derivatives Market" (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.

"Italian Stock Exchange" means Borsa Italiana S.p.A.

"MOT" means the "Electronic Bond Market", organised and managed by Borsa Italiana S.p.A.

"Renouncement Notice" means a notice to be completed in accordance with the rules of the Italian Stock Exchange, as amended, supplemented or modified from time to time, and delivered to the relevant clearing systems, which allows the relevant N&C Securityholder to renounce automatic exercise of the Italian SeDex Securities.

"Renouncement Notice Cut-off Time" means, in respect of any Series of N&C Securities, the time on a designated date, specified as the Renouncement Notice Cut-off Time in the applicable Final Terms, which shall be the latest time at which an N&C Securityholder can deliver a duly completed Renouncement Notice in accordance with Italian Securities Condition 2 above.