



ROYAL BANK OF CANADA

(a Canadian chartered bank)

U.S.\$40,000,000,000

Programme for the Issuance of Securities

Under this U.S.\$40,000,000,000 Programme for the Issuance of Securities (the “**Programme**”), Royal Bank of Canada (the “**Issuer**” or the “**Bank**”) may from time to time issue (i) notes (“**Notes**”) or (ii) redeemable certificates (“**Redeemable Certificates**”) or exercisable certificates (“**Exercisable Certificates**”) denominated or payable in any currency agreed between the Issuer and the relevant Dealer(s) (as defined herein) (such Redeemable Certificates and Exercisable Certificates together, the “**Certificates**”) and the Certificates and the Notes together, the “**Securities**”).

The Notes may be issued in bearer or registered form. The maximum aggregate principal amount of all Securities issued under the Programme (calculated as described under “General Description of the Programme”) will not exceed U.S.\$40,000,000,000 (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) subject to increase as described herein. The price and amount of the Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions. The Bank may issue Securities (i) in the case of Notes, that bear interest at fixed rates or floating rates or that do not bear interest, (ii) in the case of Certificates, that pay additional amounts at fixed or floating rates or that pay no additional amounts (iii) with principal, premium, interest or other amounts deliverable (which may include cash, securities and/or other property) determined by reference or linked to one or more index, equity, commodity, fund, currency, credit of a specified entity or entities or other underlying asset or basis of reference (each a “**Reference Item**”), and (iv) the terms of which permit the Bank to discharge its obligations with respect to such Securities by the delivery of shares, securities or other property or assets.

Application has been made to the Financial Services Authority (the “**UK Listing Authority**”) in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the “**FSMA**”) for the Securities issued under the Programme during the period of twelve months after the date hereof to be admitted to the Official List of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Securities to be admitted to trading on the London Stock Exchange’s regulated market (the “**Market**”). The Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) (the “**Markets in Financial Instruments Directive**”). Application has also been made to the UK Listing Authority for Securities issued under the Programme during the period of twelve months after the date hereof to be admitted to the Official List and to the London Stock Exchange for such Securities to be admitted to trading on the London Stock Exchange’s Professional Securities Market (the “**PSM**”). The PSM is not a regulated market for the purposes of the Markets in Financial Instruments Directive. Notes to be issued under the Programme may comprise (i) unsubordinated Notes which constitute deposit liabilities of the Issuer (“**Deposit Notes**”) or (ii) subordinated Notes which constitute subordinated indebtedness of the Issuer as described herein (“**Subordinated Notes**”). Certificates to be issued under the Programme will constitute deposit liabilities of the Issuer.

Unless otherwise specified in the applicable Final Terms, the Bank will issue Deposit Notes (as defined above) and Certificates through its main branch in Toronto. The Bank may also issue Deposit Notes and Certificates through its London branch.

Notes may be issued under the Programme which have a specified denomination of less than €100,000 (or its equivalent in other currencies).

Any person (an “**Investor**”) intending to acquire or acquiring any Securities from any person (an “**Offeror**”) should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Base Prospectus (as defined herein) under section 90 of the FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE SECURITIES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN INVESTORS AND MANAGERS SPECIFIED IN THE APPLICABLE FINAL TERMS) IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES AND, ACCORDINGLY, THE BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Prospective Investors should have regard to the factors described under the section headed “**Risk Factors**” in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Securities. Prospective Investors of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Certain issues of Securities involve a high degree of risk and prospective Investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and are not relying on the advice of the Issuer or any Dealer in that regard. In addition any applicable Final Terms may contain specific risk factors relating to the relevant issue of Securities.

Arrangers for the Programme

RBC CAPITAL MARKETS

MORGAN STANLEY

Dealers for Notes
(other than Reference Item linked Notes)

RBC CAPITAL MARKETS

BofA MERRILL LYNCH

BARCLAYS CAPITAL

CITI

CREDIT SUISSE

DEUTSCHE BANK

HSBC

J.P. MORGAN

MORGAN STANLEY

UBS INVESTMENT BANK

Dealer for Certificates and
Reference Item linked Notes

RBC CAPITAL MARKETS

July 18, 2011

IMPORTANT NOTICES

This document, together with all the documents incorporated by reference herein, other than those set out in paragraphs (e) to (h) on pages 52 and 53 (such documents collectively, the “Incorporated Documents”) comprises (i) a base prospectus (the “Base Prospectus”) for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and (ii) listing particulars for the purpose of LR 2.2.11 of the Listing Rules Instrument 2005 (“Listing Particulars”). References to Base Prospectus herein include the Listing Particulars unless the context otherwise requires.

Each Tranche (as defined below) of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “Note Conditions”) and each Tranche of Certificates will be issued in the terms set out herein under “Terms and Conditions of the Certificates” (the “Certificate Conditions”), in each case as amended and/or supplemented by the applicable Final Terms (the “Final Terms”) or in a separate prospectus specific to such Tranche (the “Drawdown Prospectus”) as described under “Final Terms or Drawdown Prospectus” on page 55. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Drawdown Prospectus unless the context otherwise requires.

Copies of Final Terms or Drawdown Prospectuses for Securities that are offered to the public in the European Economic Area or admitted to trading on a regulated market in the European Economic Area in circumstances requiring publication of a prospectus in accordance with the Prospectus Directive or admitted to trading on the PSM (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Bank and the headline “Publication of Prospectus” and (ii) will be available without charge from the Bank at 200 Bay Street, 4th Floor, North Tower, Toronto, Ontario, Canada M5J 2W7, Attention: Investor Relations and the specified office of the Issuing and Paying Agent set out at the end of this Prospectus (see “Terms and Conditions of the Notes” and “Terms and Conditions of the Certificates”).

The Bank accepts responsibility for the information in the Base Prospectus and the Prospectus. To the best of the knowledge of the Bank, having taken all reasonable care to ensure that such is the case, the information contained in the Base Prospectus and the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This paragraph should be read in conjunction with the seventh and eighth paragraphs on the front cover of this Prospectus. For these purposes, “Prospectus” means this document including all documents incorporated by reference.

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to the underlying asset, index or other asset or basis of reference to which the relevant Securities relate and which is contained in such Final Terms.

This document supersedes the Prospectus of the Issuer related to the Programme dated July 16, 2010, except that Notes issued on or after the date of this document which are to be consolidated and form a single series with Notes issued prior to the date hereof will be

subject to the Terms and Conditions of the Notes applicable on the date of issue for the first tranche of Notes of such series. Such Terms and Conditions are incorporated by reference in, and form part of, this document.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Securities are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable in accordance with the applicable Final Terms as the Financial Intermediaries, as the case may be.

This document should be read and construed with any amendment or supplement hereto and with any other documents which are deemed to be incorporated herein or therein by reference and shall be read and construed on the basis that such documents are so incorporated and form part of this document (but not the Base Prospectus, save for the Incorporated Documents and any supplementary prospectus approved by the UK Listing Authority and the documents specifically incorporated by reference therein). Any reference in this document to the Base Prospectus means this document together with the Incorporated Documents, any supplementary prospectus approved by the UK Listing Authority and any documents specifically incorporated by reference therein. In relation to any Series (as defined herein) of Securities, this document shall also be read and construed together with the applicable Final Terms(s) (as defined herein).

The financial information incorporated by reference or contained in this document has been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The Bank is required to adopt International Financial Reporting Standards ("IFRS") for interim financial reports and the annual financial report in respect of the financial year commencing November 1, 2011. See "Documents Incorporated by Reference".

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this document or any amendment or supplement hereto or any document incorporated herein or therein by reference or entered into in relation to the Programme or any information supplied by the Issuer in connection with the Programme and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this document or any other information provided by the Issuer in connection with the Programme. No Dealer accepts liability in relation to the information contained or incorporated by reference in this document or any other information provided by the Issuer in connection with the Programme.

Neither this document nor any other information supplied in connection with the Programme or any Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this document or any other information supplied in connection with the Programme should purchase any Securities. Each investor

contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this document nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Securities.

Neither the delivery of this document nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any Investor in the Securities of any information coming to their attention.

This document does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this document and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer which is intended to permit a public offering of the Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Securities may come are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions on the distribution of this document and the offering and sale of Securities, including restrictions in Canada, the United States, the European Economic Area (including the United Kingdom, France, Italy), Hong Kong, Japan and the United Arab Emirates, set out under the heading “Subscription and Sale”. In particular, Securities and, in certain cases, the underlying assets or Entitlement (as defined herein) have not been and will not be registered under the United States Securities Act of 1933, as amended and may include Notes in bearer form and Certificates which are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of

those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purpose of this paragraph, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Deposit Notes and Certificates issued under the Programme are generally rated Aa1 (P-1 for short term debt) by Moody’s Canada Inc. (“Moody’s Canada”) and AA- by Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies (Canada) Corporation (“S&P Canada”) and Subordinated Notes issued under the Programme are generally rated Aa2 by Moody’s Canada and A+ by S&P Canada. A Tranche of Securities issued under the Programme may be rated or unrated. Where a Tranche of Securities is rated, such credit rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (the “CRA Regulation”) will be disclosed in the Final Terms. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU credit rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

In addition to the Programme ratings provided by Moody's Canada and S&P Canada, each of Moody's Investors Service, Inc. ("Moody's USA"), Standard & Poor's Financial Services LLC ("S&P USA"), Fitch, Inc. ("Fitch") and DBRS Limited ("DBRS") has provided issuer ratings for the Issuer as specified under "Royal Bank of Canada – Issuer Ratings".

None of S&P Canada, S&P USA, Moody's Canada, Moody's USA, Fitch or DBRS (the "non-EU CRAs") is established in the European Union. Standard and Poor's Credit Market Services Europe Ltd., Moody's Investors Service Ltd., DBRS Ratings Limited and Fitch Ratings Limited, which are affiliates of S&P Canada, S&P USA, Moody's Canada, Moody's USA, Fitch and DBRS, respectively, established in the European Union, have applied for registration under the CRA Regulation indicating an intention to endorse their affiliated non-EU CRAs, although notification of the corresponding registration decision (including its ability to endorse to the relevant non-EU CRA's ratings) has not yet been provided by the relevant competent authority. Until the relevant competent authority has made its registration decision with regards to such applications, the ratings of each of S&P Canada, S&P USA, Moody's Canada, Moody's USA, Fitch and DBRS will be allowed to be used for regulatory purposes by European regulated investors.

All references in this Prospectus to "U.S.\$", "U.S. dollars", "USD" or "United States Dollars" are to the lawful currency of the United States of America, to "\$", "C\$", "CAD" or "Canadian dollars" are to the lawful currency of Canada and to "euro", "€" or "EUR" are to the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

All references in this Prospectus to the "European Economic Area" or "EEA" are to the Member States of the European Union together with Iceland, Norway and Liechtenstein.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION OR OVER-ALLOTMENT MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Investors whose investment authority is subject to legal restrictions should consult their legal advisors to determine whether and to what extent the Securities constitute legal investments for them. See "Risk Factors – Legal investment considerations may restrict certain investments".

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

From time to time, the Issuer makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the *United States Private Securities Litigation Reform Act of 1995* and any applicable Canadian securities legislation. Forward-looking statements may be made in this Prospectus and in the documents incorporated by reference in this Prospectus, in other filings with Canadian regulators, the United States Securities and Exchange Commission or other securities regulators, in reports to shareholders and in other communications. The forward-looking statements contained in this Prospectus and in the documents incorporated by reference in this Prospectus include, but are not limited to, statements relating to the Issuer’s financial performance objectives, the Issuer’s vision and strategic goals, the Economic, market and regulatory review and outlook for the Canadian, U.S., European and global economies, the outlook and priorities for each of the Issuer’s business segments and the risk environment including liquidity and funding management. The forward-looking information contained in this document is presented for the purpose of assisting holders and potential purchasers of Securities and financial analysts in understanding the Issuer’s financial position and results of operations as at and for the periods ended on the dates presented and the Issuer’s vision and strategic goals and financial performance objectives, and may not be appropriate for other purposes. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “plan” and “project” and similar expressions of future or conditional verbs such as “will,” “may,” “should,” “could,” or “would”.

By their very nature, forward-looking statements require the Issuer to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the Issuer’s assumptions may not be correct and that the Issuer’s financial performance objectives, vision and strategic goals will not be achieved. Readers are cautioned not to place undue reliance on these statements as a number of risk factors could cause actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Issuer’s control and the effects of which can be difficult to predict – include: credit, market, operational and liquidity and funding risks, and other risks discussed in the “Risk management” section of the Issuer’s 2010 annual management’s discussion and analysis in its 2010 Annual Report and the Issuer’s Second Quarter 2011 Report to Shareholders incorporated by reference herein; general business, economic and financial market conditions in Canada, the United States, and certain other countries in which the Issuer conducts business including the effects of the European sovereign debt crisis; changes in accounting standards, policies and estimates, including changes in the Issuer’s estimates of provisions, allowances and valuations; the effects of changes in government fiscal, monetary and other policies; the effects of competition in the markets in which the Issuer operate; the impact of changes in laws and regulations, including tax laws, changes to and new interpretations of risk-based capital guidelines, and reporting instructions and liquidity regulatory guidance, and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and the regulations to be issued thereunder; judicial or regulatory judgments and legal proceedings; the accuracy and completeness of information concerning clients and counterparties of the Issuer; the Issuer’s ability to successfully execute its strategies and to complete and integrate strategic acquisitions and joint ventures successfully; and development and integration of the Issuer’s distribution

networks.

Readers are cautioned that the foregoing list of risk factors is not exhaustive and other factors could also adversely affect the Issuer's results. When relying on forward-looking statements to make decisions with respect to the Issuer, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, none of the Issuer, the Dealers or any other person undertakes to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Issuer.

Additional information about these and other factors can be found under the "Risk management" section of the Issuer's management's discussion and analysis and 2010 Annual Report and the Bank's Second Quarter 2011 Report to Shareholders incorporated by reference herein.

TABLE OF CONTENTS

IMPORTANT NOTICES	ii
CAUTION REGARDING FORWARD-LOOKING STATEMENTS	vii
SUMMARY OF THE PROGRAMME	1
RISK FACTORS	13
DOCUMENTS INCORPORATED BY REFERENCE	51
FINAL TERMS OR DRAWDOWN PROSPECTUS	55
GENERAL DESCRIPTION OF THE PROGRAMME	56
FORM OF THE SECURITIES	57
TERMS AND CONDITIONS OF THE NOTES	62
FORM OF FINAL TERMS OF THE NOTES	166
TERMS AND CONDITIONS OF THE CERTIFICATES	203
FORM OF FINAL TERMS OF THE CERTIFICATES	301
USE OF PROCEEDS	334
ROYAL BANK OF CANADA	335
TAXATION	343
SUBSCRIPTION AND SALE	354
GENERAL INFORMATION	361

SUMMARY OF THE PROGRAMME

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

Words and expressions defined in “Form of the Securities”, “Terms and Conditions of the Notes” and “Terms and Conditions of the Certificates” below shall have the same meanings in this summary.

Essential Characteristics of and Risks Associated with Bank

Royal Bank of Canada (the “**Bank**”) is a Schedule 1 bank under the *Bank Act* (Canada) (the “**Bank Act**”), which constitutes its charter. The Bank was created as Merchants Bank in 1864 and was incorporated under the “Act to Incorporate the Merchants’ Bank of Halifax” assented to June 22, 1869. The Bank changed its name to The Royal Bank of Canada in 1901 and to Royal Bank of Canada in 1990.

The Bank and its subsidiaries operate under the master brand name RBC. The Bank is Canada’s largest bank as measured by assets and market capitalisation, and among the largest banks in the world, based on market capitalisation. All references in this Summary to “**the Bank**” refer to the Bank and its subsidiaries, unless the context otherwise requires. The Bank is one of North America’s leading diversified financial services companies, and provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services on a global basis. The Bank employs approximately 79,000 full- and part-time employees who serve close to 16 million personal, business, public sector and institutional clients through offices in Canada, the United States and 56 other countries.

As at April 30, 2011, the Bank had total assets of C\$729 billion and total shareholders’ equity of C\$40 billion.

There are a number of factors that could cause the Bank’s actual results to differ materially from those anticipated (see “Risk Factors”).

Banking and financial services involves inherent risks, such as credit risk, market risk, operational risk, liquidity and funding risk, reputation risk, regulatory and legal risk, insurance risk and environmental risk which can affect the Bank’s results (see the “Risk management” section on pages 37 to 47 and the “Overview of other risks” section on pages 48 to 50 in the Bank’s 2010 Annual Report and the “Risk management” section on pages 19 to 24 of the Bank’s Second Quarter 2011 Report to Shareholders for a discussion of these risks and how the Bank manages them).

Some other factors that may affect the Bank's results include:

- (i) general business and economic conditions in Canada, the United States and other countries in which the Bank conducts business;
- (ii) changes in accounting standards and accounting policies and estimates;
- (iii) government fiscal, monetary and other policies;
- (iv) level of competition;
- (v) changes in law and regulations;
- (vi) judicial or regulatory judgments and legal proceedings;
- (vii) accuracy and completeness of information on clients and counterparties;
- (viii) execution of the Bank's strategy;
- (ix) acquisitions and joint ventures; or
- (x) development and integration of the Bank's distribution networks.

Other factors that may affect actual results include changes in government trade policy, the timely and successful development of new products and services, the Issuer's ability to cross-sell more products to customers, technological changes and the Issuer's reliance on third parties to provide components of the Issuer's business infrastructure, the failure of third parties to comply with their obligations to the Issuer and its affiliates as such obligations relate to the handling of personal information, fraud by internal or external parties, the possible impact on the Issuer's business from disease or illness that affects local, national or global economies, disruptions to public infrastructure, including transportation, communication, power and water, international conflicts and other political developments including those relating to the war on terrorism, and the Issuer's success in anticipating and managing the associated risks.

The Bank cautions that the foregoing discussion of risk factors is not exhaustive and other factors could also adversely affect the Bank's results. When relying on the Bank's forward-looking statements to make decisions with respect to the Bank, investors and others should carefully consider the foregoing factors, other uncertainties and potential events, and other industry- and Bank-specific factors that may adversely affect the Bank's future results and the market valuation placed on the Bank's securities. Unless required by law, the Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Bank or on the Bank's behalf.

Essential Characteristics and Risks Associated with the Programme and Securities issued under the Programme

Description:	Programme for the Issuance of Securities (the “ Programme ”).
Issuer:	Royal Bank of Canada and, in respect of Deposit Notes or Certificates, Royal Bank of Canada, Main Toronto branch or Royal Bank of Canada, London branch or other branch of account, in each case as specified in the applicable Final Terms.
Arrangers:	Royal Bank of Canada Europe Limited and Morgan Stanley & Co. International plc.
Issuing and Paying Agent:	Royal Bank of Canada, London branch.
Type of Securities:	The Issuer may from time to time issue Notes, Redeemable Certificates or Exercisable Certificates.
Programme Amount:	Up to U.S.\$40,000,000,000 in aggregate principal amount of Securities outstanding at any one time calculated as described in the “General Description of the Programme”.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or any other clearing system as may be specified in the applicable Final Terms.

In respect of the Notes

Dealers for Notes (other than Reference Item linked Notes):	Royal Bank of Canada Europe Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
Dealer for Reference Item linked Notes:	Royal Bank of Canada Europe Limited.
Form of Notes:	Notes may be issued in either bearer form and, if in bearer form, either in new global note form or classic global note form, or registered form as specified in the applicable Final Terms and, as more fully described in “Form of the Securities - Notes”.
Issue Price:	Notes may be issued on a fully-paid or (in the case of Deposit Notes only) partly-paid basis at an issue price which is par or a discount to, or at premium over, par.

Terms of the Notes: Notes may be denominated in any currency specified in the applicable Final Terms with any agreed maturity, subject to compliance with all applicable legal and/or regulatory instructions.

Notes may (i) bear interest at a fixed or floating rate, (ii) not bear interest, (iii) bear interest that is, and/or provide that the amount payable on redemption is, calculated by reference to one or more specified underlying assets or bases of reference such as indices, currency exchange rates, equity securities (including GDRs and ADRs), fund shares or units, commodities, the credit of one or more underlying entities or other financial variables (each such underlying asset or basis of reference, a “**Reference Item**” and any Reference Item linked Notes, “**Reference Item Linked Notes**”) with the exception of shares or share equivalents of the Issuer or any affiliate (as defined in the *Bank Act* (Canada)) of the Issuer; (iv) be redeemed by physical delivery (“**Physical Delivery Notes**”) of specified asset(s); (v) reference any combination of the foregoing; and/or (vi) have such other terms and conditions as specified in the applicable Final Terms.

If specified in the applicable Final Terms, the Issuer may have the right to vary the means of settlement.

Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms.

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable; for taxation reasons; for illegality as described below; following an Event of Default and acceleration of the Notes; or in the case of Index Linked Notes, Equity Linked Notes and Fund Linked Notes, following the occurrence of certain events as described below), or that such Notes will be redeemable at the option of the Bank and/or the Holders.

As at the date hereof, Subordinated Notes may only be redeemed at the option of the Issuer with the prior approval of the Superintendent of Financial Institutions (Canada).

Physical Delivery Notes: In order to receive the Relevant Asset(s), a Holder must deliver an Asset Transfer Notice on or prior to a specified cut-off date and pay all taxes, duties and/or expenses arising from delivery. If certain disruption events occur on settlement, the relevant settlement date may be postponed and in certain circumstances the Issuer will be entitled to make payment of a cash amount in lieu of physical delivery.

Covenants: The Bank has covenanted not to create, incur or permit the existence of indebtedness which, in the event of insolvency or winding-up of the Issuer, will rank subordinate to deposit liabilities and in priority to Subordinated Notes.

Negative Pledge: None.

Cross-default: None.

Events of Default: The events of default applicable to Deposit Notes are limited to (i) non-payment of principal or non-delivery of Entitlements or non-payment (subject to a grace period) of interest and (ii) insolvency or bankruptcy, the appointment of a liquidator, receiver or receiver and manager or other officer having similar powers or the taking of control of the Bank or its assets by the Superintendent of Financial Institutions (Canada). The events of default for the Subordinated Notes are limited to insolvency or winding up of the Bank.

**In respect of
Certificates**

Dealer: Royal Bank of Canada Europe Limited.

Form of the Certificates: Certificates will be issued in classic global certificate form, as is fully described in “Form of the Securities – Certificates”.

Issue Price: Certificates may be issued at such price as shall be determined by the Issuer and Royal Bank of Canada Europe Limited.

Terms of Certificates: The Issuer may from time to time issue Certificates of any kind, including but not limited to Certificates linked to one or more underlying assets or bases of reference such as indices, currency exchange rates, shares (including GDRs and/or ADRs), fund shares or units, commodities or the credit of one or more underlying entities (each such underlying asset or basis of reference, a “**Reference Item**” and any Reference Item linked Certificates, “**Reference Item Linked Certificates**” and, together with the Reference Item Linked Notes, “**Reference Item Linked Securities**”) or any combination of the foregoing and on such terms as may be determined by the Issuer and specified in the applicable Final Terms.

Certificates may or may not pay additional amounts as specified in the applicable Final Terms.

Settlement: Settlement may be by way of cash payment (“**Cash Settled**”) or physical delivery (“**Physical Delivery**”). For certain Physical Delivery Certificates, if certain disruption events occur on settlement, the relevant settlement date may be postponed and in certain circumstances the Issuer will be entitled to make payment of a cash amount in lieu of physical delivery.

If specified in the applicable Final Terms, the Issuer may have the right to vary the means of settlement.

Exercise Rights (Exercisable Certificates):	<p>Exercisable Certificates that are European Style Certificates are only exercisable on the Exercise Date.</p> <p>Exercisable Certificates that are American Style Certificates are exercisable on any Exercise Business Day during the Exercise Period.</p> <p>Open-Ended Certificates are exercisable on any Exercise Date but have no expiration date.</p> <p>The applicable Final Terms will specify whether or not Exercisable Certificates will be automatically exercised. If they will be automatically exercised, the Holder must nonetheless deliver an Exercise Notice prior to a specified cut-off time in order to receive the Cash Settlement Amount or the Entitlement, as the case may be, and pay any required taxes, duties and/or expenses.</p> <p>The applicable Final Terms will specify if Exercisable Certificates may be automatically exercised early (as a result of an Issuer Call or a Trigger Early Exercise).</p>
Redemption (Redeemable Certificates):	<p>Redeemable Certificates will be redeemed on the Redemption Date.</p> <p>In the case of Physical Delivery Certificates in order to receive the Entitlement in respect of a Redeemable Certificate, the Holder must deliver a Collection Notice prior to a specified cut-off time and pay all taxes, duties and/or expenses arising from such delivery.</p> <p>The applicable Final Terms will specify if the Redemption Date for Redeemable Certificates may be brought forward (as a result of an Issuer Call, a Trigger Early Redemption or a Holder put).</p>
Negative Pledge:	None.
Cross-Default:	None.
Events of Default:	The events of default applicable to Certificates are limited to (i) non-payment of the cash settlement amount or non-delivery of Entitlements or non-payment (subject to a grace period) of additional amounts and (ii) insolvency or bankruptcy, the appointment of a liquidator, receiver, or receiver and manager or other officer having similar powers or the taking of control of the Bank or its assets by the Superintendent of Financial Institutions (Canada).
Expenses and Taxation:	<p>Subject to the obligation of the Issuer to pay extra amounts as provided for and referred to in Condition 11 and as described in "Taxation" below, a holder of a Certificate must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement or redemption (as applicable) of such Certificate and/or if applicable, delivery of the Entitlement.</p> <p>Subject to the obligation of the Issuer to pay extra amounts as</p>

provided for and referred to in Condition 11 and as described in “Taxation” below, the Issuer shall not otherwise be liable for or 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 Certificate by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

**Reference Item
Linked Securities**

**Index Linked
Securities:**

Amounts payable in respect of Index Linked Securities will be calculated by reference to one or more Indices. The Index may reference or comprise reference equities, bonds, property, currency exchange rates or other assets or bases of reference.

Index Linked Securities may be subject to early redemption or cancellation, as applicable, or adjustment (including, in certain circumstances, substitutions of underlying indices) if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Index’s sponsor fails to calculate and announce the Index, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity’s hedging arrangements.

If certain disruption events occur with respect to valuation of an Index, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

**Equity Linked
Securities:**

Amounts payable in respect of Equity Linked Securities will be calculated by reference to a single equity security or a basket of equity securities. Equity Linked Securities may also provide for settlement or redemption by physical delivery of the specified amount of equity securities of one or more companies, subject to payment of any related expenses.

If so specified in the applicable Final Terms, Equity Linked Securities may, at the discretion of the Issuer, be subject to early redemption or cancellation, as the case may be, or adjustment (including valuations and, in certain circumstances, substitutions of equity securities) if certain corporate events (such as events affecting the value of an equity security (including equity security divisions or consolidations, extraordinary dividends and capital calls); de-listing of an equity security; insolvency, merger or nationalisation of an equity security issuer; a tender offer or redenomination of an equity security) occur, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity’s hedging arrangements, or if insolvency filings are made with respect to an equity security issuer.

If certain disruption events occur with respect to valuation of an equity security, such valuation will be postponed and may be made by the

Calculation Agent. Payments may also be postponed.

GDR/ADR Linked Securities:

Amounts payable in respect of GDR/ADR Linked Securities will be calculated by reference to a single global depositary receipt (“**GDRs**”) or American depositary receipt (“**ADRs**”) (and together with GDRs, “**Depositary Receipts**”) or a basket of GDRs and/or ADRs. GDR/ADR Linked Securities may also provide for settlement or redemption by physical delivery of the specified amount of GDRs and/or ADRs subject to payment of any related expenses.

If so specified in the applicable Final Terms, GDR/ADR Linked Securities may, at the discretion of the Issuer, be subject to early redemption or cancellation, as the case may be, or adjustment (including valuation and in certain circumstances GDR/ADR substitutions) if certain corporate events (such as events affecting the value of a GDR and/or ADR or an underlying equity security (including GDR, ADR or underlying equity security divisions or consolidations, extraordinary dividends and capital calls); de-listing of a GDR, ADR or underlying equity security; insolvency, merger or nationalisation of an underlying equity security issuer; or a tender offer or redenomination of a GDR, ADR and/or underlying equity security) occurs, if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity’s hedging arrangements; or if insolvency filings are made with respect to an underlying equity security issuer.

If certain disruption events occur with respect to valuation of an underlying equity security, such valuation will be postponed and may be made by the Calculation Agent. Payments may also be postponed.

Fund Linked Securities:

Amounts payable in respect of Fund Linked Securities will be calculated by reference to units, interests or equity securities in a single Fund or basket of Funds. Fund Linked Securities may also provide for settlement by physical delivery of a specified amount of units, interests or equity securities of one or more Funds, subject to payment of any sums specified to be payable.

Fund Linked Securities may, at the discretion of the Issuer, be subject to early redemption or cancellation, as applicable, or adjustment (including as to valuations and fund substitutions) if certain corporate events (such as insolvency (or an analogous event) or nationalisation of a Fund; litigation against, or regulatory events occurring with respect to a Fund; suspensions of Fund subscriptions or redemptions; certain changes in net asset value or violations of leverage restrictions of a Fund; Fund reporting disruptions, or modifications to the investment objectives or changes in the nature or administration of a Fund) occur, if certain valuation or settlement disruption events occur with respect to a Fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Hedging Entity’s hedging arrangements.

Fund Linked Securities linked to Exchange Traded Funds may be subject to early redemption or cancellation, as applicable, or adjustment (including as to valuation) if certain corporate events (such as events affecting the value of a Fund Share including share divisions or consolidation, de-listing of a Fund Share, insolvency, merger or nationalisation of a Fund Share issuer, or a tender offer of a Fund Share) or modifications of its investment objectives occur or if certain events occur with respect to the Hedging Entity's hedging arrangements, or if insolvency filings are made with respect to an underlying Fund.

If certain disruption events occur with respect to the valuation of a Fund Share in respect of an Exchange Traded Fund, such valuation may be postponed and may be made by the Calculation Agent. Payments may also be postponed.

Commodity Linked Securities: Linked Amounts payable in respect of Commodity Linked Securities will be calculated by reference to a single commodity, a commodity index or a basket of commodities and/or commodity indices.

Commodity Linked Securities may be subject to early redemption or cancellation, as the case may be, or adjustment if certain disruption events occur.

If certain disruption events occur with respect to valuation of a commodity or commodity index, such valuation may be postponed and/or may be made by the Calculation Agent or may be made by reference to an alternative commodity reference price. Payments may also be postponed.

Currency Linked Securities: Linked Amounts payable in respect of Currency Linked Securities will be calculated by reference to the rate of exchange of a single currency or basket of currencies. Currency Linked Securities may also provide for settlement by physical delivery of a specified amount of the relevant currencies, subject to payment of any relevant sums payable.

If certain disruption events occur with respect to a rate of exchange of a single currency or basket of currencies, such valuation may be postponed and/or made by the Calculation Agent.

General

Status: Notes may be issued on a subordinated or unsubordinated basis. Securities will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada).

Deposit Notes and Certificates will constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada) and will constitute unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* with all other deposit liabilities of the Issuer (except as otherwise prescribed by law) and without any preference amongst themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as

otherwise prescribed by law).

Subordinated Notes will constitute direct unsecured obligations of the Issuer evidencing subordinated indebtedness for the purposes of the *Bank Act* (Canada) and will rank *pari passu* with all other present or future subordinated indebtedness of the Issuer other than subordinated indebtedness having priority to the Subordinated Notes by virtue of any law now or hereafter in force.

The subordinated indebtedness evidenced by the Subordinated Notes will, in the event of the insolvency or winding-up of the Issuer, be subordinate in right of payment to all deposit liabilities of the Issuer and all other liabilities of the Issuer except those that, by their terms, rank equally with or are subordinate to such subordinated indebtedness and except as otherwise prescribed by law.

- Protection Amount: In respect of a Series of Reference Item Linked Securities to which a Protection Amount is specified in the applicable Final Terms, the Final Redemption Amount or Cash Settlement Amount, as the case may be, will in no circumstances be paid at the stated Maturity Date, Redemption Date or Settlement Date (as applicable) at less than the specified percentage of the principal amount of such Note or, in the case of Redeemable Certificates, such other amount indicated in the applicable Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that Securities are redeemed or cancelled prior to their stated Maturity Date, Redemption Date or Settlement Date (as applicable) or upon the occurrence of, among others, an Early Redemption for Taxation Reasons, an Index Adjustment Event, a Potential Adjustment Event, an Extraordinary Event, a Fund Event or an Event of Default (as applicable).
- Substitution: The terms of the Deposit Notes and Certificates permit the substitution of the branch of account if such branch is outside Canada, subject to certain terms and conditions.
- Illegality: In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under a Series or that any arrangements made to hedge the Issuer's obligations under such Series has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the Issuer may, having given notice to Holders, redeem or cancel (as applicable) all, but not some only, of the Securities of such Series.
- Taxation: Except as required by law and subject to the Issuer's obligation to pay additional amounts as provided for or referred to in Condition 17 (in the case of the Notes) or extra amounts as provided for or referred to in Condition 11.03 (in the case of the Certificates), payments in respect of Securities will not be subject to withholding tax under the laws of Canada or any province or territory thereof and, in the case of Deposit Notes or Certificates issued through a branch outside Canada, the laws of the country in which the branch is located (see

Condition 17 of the Notes or Condition 11.03 of the Certificates).

- Governing Law:** Securities will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein or, in the case of Deposit Notes or Certificates issued on a non-syndicated basis and if so specified in the applicable Final Terms, English law.
- Listing and Public Offers:** Each Series may be admitted to the Official List and to trading on the Market, the PSM and/or any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms or may be unlisted. If the Securities are listed or admitted to trading, the Securities may be de-listed if the Bank in good faith determines that it is impracticable or unduly burdensome to maintain such listing or admission to trading. The Issuer is not under any obligation to Holders to maintain any listing of the Securities. See “Risk Factors – No obligation to maintain listing”.
- Securities may be offered to the public in the European Economic Area to the extent specified in the applicable Final Terms.
- Selling Restrictions:** The Securities may be offered for sale only outside the United States to non-U.S. persons in reliance on and in accordance with Regulation S (Category 2) and in accordance with applicable laws. Bearer Notes and Certificates are also subject to U.S. tax law requirements and may not be sold, offered or delivered in the United States or to United States Persons as defined in the U.S. Treasury regulations. See “Subscription and Sale”.
- Risk Factors:** Securities may involve a high degree of risk. There are certain factors which are material for the purpose of assessing the market risks associated with investing in any issue of Securities. See “Risk Factors”.
- The Issuer may issue Securities with principal, premium, interest, amounts deliverable or other amounts determined by reference to Reference Items.
- Prospective Investors should understand the risks of transactions involving Reference Item Linked Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Securities and the particular Reference Item(s) to which the value of, or payments and/or deliveries in respect of, the relevant Reference Item Linked Securities may relate, as specified in the applicable Final Terms.
- Where the applicable Final Terms specify one or more Reference Item(s), the relevant Securities will represent an investment linked to the performance of such Reference Item(s) and prospective Investors should note that the return (if any) on their investment in the

Securities will depend upon the performance of the relevant Reference Item(s). In addition to structural risks relating to such Securities (including Index Linked Securities, Equity Linked Securities, Fund Linked Securities and Commodity Linked Securities), other risks include market disruption in respect of relevant Reference Items, settlement disruption, expenses required for Physical Delivery, hedging and other potential conflicts of interest, tax treatment, binding modifications by specified majorities at meetings, Canadian usury laws, early redemptions, possible illiquidity of the Securities, exchange rate risks, credit ratings, no obligation to maintain listing, time lag between exercise of Certificates and determination of amounts payable, absence of a pre-determined expiration date for Open-Ended Certificates, the market value of Certificates may be affected by the creditworthiness of the Issuer and holders of Certificates must pay all expenses, including taxes, relating to the Certificates. See "Risk Factors".

IN THE CASE OF REFERENCE ITEM LINKED SECURITIES, PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW ANY CASH AMOUNT IS PAYABLE OR ENTITLEMENT DELIVERABLE AND HOW ANY PERIODIC INTEREST (IN THE CASE OF NOTES) OR ADDITIONAL AMOUNT (IN THE CASE OF CERTIFICATES) PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED SECURITIES.

RISK FACTORS

The Issuer believes that the following factors are material for the purpose of assessing risks associated with the Issuer. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring or the likelihood or extent to which any such contingencies may affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities. In addition, factors, although not exhaustive, which could be material for the purpose of assessing the market risk associated with Securities issued under the Programme are also described below. Except as required by law, the Bank does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Bank or on the Bank's behalf.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities or deliver the specified assets in connection with physical delivery Securities may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on the business operations of the Issuer or affect the ability of the Issuer to pay interest, principal or other amounts on or in connection with any Securities or deliver the specified assets in connection with physical delivery Securities. The Final Terms in respect of an issue of Securities may contain additional Risk Factors in respect of such Securities. Prospective Investors should also read the detailed information set out elsewhere in this document (including information incorporated by reference) and any applicable Final Terms to reach their own views prior to making any investment decisions.

THE PURCHASE OF SECURITIES MAY INVOLVE SUBSTANTIAL RISKS AND MAY BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE SECURITIES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE FINAL TERMS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR ANY DEALER.

AN INVESTMENT IN SECURITIES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OR SETTLEMENT OF THE SECURITIES MAY BE LESS THAN THE PURCHASE PRICE OF THE SECURITIES, TOGETHER WITH ANY ACCRUED INTEREST OR ADDITIONAL AMOUNTS (AS APPLICABLE), AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE SECURITIES ARE REDEEMED OR SETTLED BY THE ISSUER BY DELIVERY OF

REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE PURCHASE PRICE OF THE SECURITIES, TOGETHER WITH ANY ACCRUED INTEREST OR ADDITIONAL AMOUNTS (AS APPLICABLE), AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

CERTAIN ISSUES OF SECURITIES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Factors which are material for the purpose of assessing risks associated with the Issuer

Banking and financial services involves inherent risks. Prospective Investors should consider credit risk, market risk, operational risk, liquidity and funding risk, reputation risk, regulatory and legal risk, insurance risk and environmental risk summarised below and described in the “Risk management” section beginning on page 37 and the “Overview of other risks” section beginning on page 48 of the Issuer’s 2010 Annual Report and the “Risk management” section beginning on page 19 of the Issuer’s Second Quarter 2011 Report to Shareholders incorporated by reference herein which sections supplement the Risk Factors set out below:

Credit risk

Credit risk is the risk of loss associated with an obligor’s inability or unwillingness to fulfill its contractual obligations. Credit risk may arise directly from the risk of default of a primary obligor (e.g. issuer, debtor, counterparty, borrower or policyholder), or indirect from a secondary obligor (e.g. guarantor or reinsurer).

The failure to effectively manage credit risk across the Issuer’s organisation and all products, services and activities can have a direct, immediate and material impact on the Issuer’s earnings and reputation.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, equity or commodity prices, and credit spreads. The Issuer is exposed to market risk in its trading activity and the Issuer’s asset/liability management activities. The level of market risk to which the Issuer is exposed varies depending on market conditions, expectations of future price and yield movements and the composition of the Issuer’s trading portfolio.

Liquidity and funding risk

Liquidity and funding risk is the risk that the Issuer may be unable to generate or obtain sufficient cash or its equivalent in a timely and cost-effective manner to meet its commitments as they come due.

Operational risk

Operational risk is the risk of loss or harm resulting from inadequate or failed internal processes, people and systems or from external events.

Operational risk is embedded in all of the Issuer's activities, including the practices and controls used to manage other risks. Failure to manage operational risk can result in direct or indirect financial loss, reputational impact, regulatory censure, or failure in the management of other risks such as credit or market risk.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the Financial Services Authority.

Strategic Risk

Strategic risk is the risk that the enterprise or particular business areas will make inappropriate strategic choices, or will be unable to successfully implement selected strategies or related plans and decisions. For example, failure to successfully integrate and retain clients and key employees from the Issuer's strategic acquisitions or joint ventures may adversely affect the Issuer's financial performance.

Regulatory and legal risk

Regulatory and legal risk is the risk of negative impact to business activities, earnings or capital, regulatory relationships or reputation as a result of failure to comply with or a failure to adapt to current and changing regulations, law, industry codes or rules, regulatory expectations, or ethical standards.

Laws and regulations are in place to protect the financial and other interests of the Issuer's clients, investors and the public. Changes to laws, including tax laws, regulations or regulatory policies, as well as the changes in how they are interpreted, implemented or enforced, could adversely affect the Issuer, for example by lowering barriers to entry in the businesses in which it operates or increasing its costs of compliance. Furthermore, there is no assurance that the Issuer always will be or will be deemed to be in compliance with laws, regulations or regulatory policies. Accordingly, it is possible that the Issuer could receive a judicial or regulatory judgment or decision that results in fines, damages, and other costs or injunctions or loss of licenses or registrations that would damage its reputation and negatively impact on its earnings. In addition, the Issuer is subject to litigation arising in the ordinary course of its business and the adverse resolution of any litigation could have a material adverse effect on its results or could give rise to significant reputational damage, which in turn could impact its future business prospects.

Reputation risk

Reputation risk is the risk that an activity undertaken by an organisation or its representatives will impair its image in the community or lower public confidence in it, resulting in the loss of business, legal action or increased regulatory oversight.

Reputation risk can arise from a number of events and primarily occurs in connection with regulatory, legal and operational risks. Operational failures and non-compliance with laws and regulations can have a significant reputational impact on the Issuer.

Insurance risk

Insurance risk is the exposure to potential financial loss arising from payments that are different than anticipated (e.g. number, amount, or timing) under an insurance policy or reinsurance treaty. Insurance risk is primarily associated with adverse experience with respect to mortality, morbidity, longevity, claim frequency, claim severity, policyholder behaviour, and expense.

Environmental risk

Environmental risk is the risk of loss to financial, operational or reputation value resulting from the impact of environmental issues. Environmental risk arises from the Issuer's business activities and its operations. For example, the environmental issues associated with the Issuer's clients' purchase and sale of contaminated property or development of large-scale projects may give rise to credit and reputation risk for the Issuer. Operational and legal risks may arise from environmental issues at the Issuer's branches, offices or data processing centres.

In addition, the following discussion sets forth other factors the Issuer believes could cause its actual results to differ materially from expected results.

General business and economic conditions in Canada, the United States and other countries in which the Issuer conducts business

The Issuer's earnings are significantly affected by the general business and economic conditions in the geographic regions in which it operates. These conditions include consumer saving and spending habits as well as consumer borrowing and repayment patterns, business investment, government spending, the level of activity and volatility of the capital markets and inflation. For example, an economic downturn in a country may result in high unemployment and lower family income, corporate earnings, business investment and consumer spending, and could adversely affect the demand for the Issuer's loan and other products. In addition, the Issuer's provision for credit losses would likely increase, resulting in lower earnings.

Changes in accounting standards and accounting policies and estimates

From time to time, the Accounting Standards Board of the Canadian Institute of Chartered Accountants (the "AcSB") changes the financial accounting and reporting standards that govern the preparation of the Issuer's financial statements. These changes can be difficult to anticipate and can materially impact how the Issuer records and reports its financial condition and results of operations. In some instances, the Issuer may be required to retroactively apply a new or revised standard that results in it restating prior period financial statements. Significant accounting policies are described in Note 1 to the Issuer's 2010 Annual Consolidated Financial Statements beginning on page 80 of the Issuer's 2010 Annual Report incorporated by reference herein.

The Issuer is required to adopt IFRS commencing November 1, 2011. For further details on the Issuer's future adoption of IFRS, refer to the section entitled "Future Adoption of International Financial Reporting Standards" on pages 60 to 61 of the Issuer's 2010 Annual Report.

Government fiscal, monetary and other policies

The Issuer's businesses and earnings are affected by the fiscal, monetary or other policies that are adopted by the Bank of Canada and various other Canadian regulatory authorities, the Board of Governors of the Federal Reserve System in the United States and other United States government authorities, as well as those adopted by international regulatory authorities and agencies, in jurisdictions in which the Issuer operates. As well, such policies can adversely affect the Issuer's clients and counterparties in Canada, the United States and internationally, which may increase the risk of default by such clients and counterparties.

Level of competition

The competition for clients among financial services companies in the markets in which the Issuer operates is intense. Client loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of the Issuer's products or services, the Issuer's reputation and actions taken by the Issuer's competitors. Other financial services companies, such as insurance companies and non-financial companies, are increasingly offering services traditionally provided by banks. Such competition could also reduce net interest income, fee revenue and adversely affect the Issuer's earnings.

Ability to attract and to retain employees

Competition for qualified employees is intense within the financial services industry and from non-financial industries looking to recruit. If the Issuer is unable to retain and attract qualified employees, its results of operations and financial condition, including its competitive position, may be materially adversely affected.

Accuracy and completeness of information on clients and counterparties

When deciding to extend credit or enter into other transactions with clients and counterparties, the Issuer may rely on information provided by or on behalf of clients and counterparties, including audited financial statements and other financial information. The Issuer also may rely on representations of clients and counterparties as to the completeness and accuracy of that information. The Issuer's financial results could be adversely impacted if the financial statements and other financial information relating to clients and counterparties on which it relies do not comply with Canadian GAAP or are materially misleading.

Development and integration of the Issuer's distribution networks

Although the Issuer regularly explores opportunities to expand its distribution networks, either through acquisitions or organically by adding, for example, new bank branches, insurance offices, online savings accounts and automated teller machines in high-growth, receptive markets in Canada, the United States and internationally, if the Issuer is not able to develop or integrate these distribution networks effectively, its results of operations and financial condition may be negatively affected.

Other factors

Other factors that may affect actual results include changes in government trade policy, the timely and successful development of new products and services, the Issuer's ability to cross-

sell more products to customers, technological changes and the Issuer's reliance on third parties to provide components of the Issuer's business infrastructure, the failure of third parties to comply with their obligations to the Issuer and its affiliates as such obligations relate to the handling of personal information, fraud by internal or external parties, the possible impact on the Issuer's business from disease or illness that affects local, national or global economies, disruptions to public infrastructure, including transportation, communication, power and water, international conflicts and other political developments including those relating to the war on terrorism, and the Issuer's success in anticipating and managing the associated risks.

Factors that are material for the purpose of assessing the market risks associated with Securities issued under the Programme

The Securities may not be a suitable investment for all Investors

Each of the risks highlighted below could adversely affect the trading price of any Securities or the rights of Holders under any Securities and, as a result, Investors could lose some or all of their investment. The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the Issuer may be unable to pay or deliver amounts or specified assets on or in connection with any Securities for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive.

Each potential Investor in the Securities must determine the suitability of that investment in light of his or her own circumstances. In particular, each potential Investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus (including any applicable supplement) or any applicable Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the Specified Currency or Settlement Currency is different from the potential Investor's currency;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition an investment in Equity Linked Securities, Index Linked Securities, Fund Linked Securities, Commodity Linked Securities, Currency Linked Securities (each as defined below)

or other Reference Item Linked Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including but not limited to, the risks set out in "Risks related to the structure of a particular issue of Securities" set out below.

Some Securities are complex financial instruments. Sophisticated institutional Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential Investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effect on the value of the Securities and the impact this investment will have on the potential Investor's overall investment portfolio.

No interest or additional amounts may be payable under the Securities

Prospective Investors should note that the terms and conditions of the Securities may provide that no interest or additional amounts may be paid on the Securities on or prior to their redemption or settlement date. An Investor in such Securities, in the context of its own financial position, must be capable of holding such Securities to maturity with no income stream in the form of interest or additional amounts payments.

As there may be no periodic payment of interest or additional amounts to the Holders any increase in the value of the underlying, as the case may be, will not be crystallised until the Securities are redeemed or settled (as applicable), and the Securities may fall in value at any time prior to redemption or settlement (as applicable).

Risks related to the structure of a particular issue of Securities

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential Investors, the most common of which are set out below:

Risks relating to Notes generally

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment (provided however that the Issuer may not issue Partly Paid Subordinated Notes). Failure to pay any subsequent instalment could result in an Investor losing all of its investment.

Notes subject to optional or mandatory early redemption by the Issuer

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

If the Notes are redeemable early at the Issuer's option or otherwise subject to mandatory redemption, the Issuer may be expected to (in the case of optional redemption) or must (in the

case of mandatory redemption) redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an Investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Certain Notes may be redeemed early at their then market value less associated costs, in each case according to the Note Conditions. The market value of such Notes upon early redemption may be substantially less than par or even zero.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated obligations of the Issuer. The Subordinated Notes will, in the event of the insolvency or winding up of the Issuer, be subordinated in right of payment to all deposit liabilities and all other liabilities of the Issuer except those which by their terms rank equally with or are subordinate to such Subordinated Notes and except as otherwise prescribed in law. Although Subordinated Notes may pay a higher rate of interest than comparable Securities which are not subordinated, there is a real risk that Investors in Subordinated Notes will lose some or all of their investment should the Issuer become insolvent. Holders of Subordinated Notes have only a limited right to accelerate payment of principal on default and a default may be declared and the obligation to repay principal accelerated only in prescribed circumstances summarised under "Events of Default" in the Note Conditions. Except to the extent regulatory capital requirements affect the Issuer's decisions to issue subordinated debt or more senior debt, there is no limit on the Issuer's ability to incur subordinated debt or more senior debt.

Notes in New Global Notes form

The New Global Note form has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

Risks relating to Certificates generally

Certain Factors Affecting the Value and Trading Price of Certificates

Either (1) the Cash Settlement Amount (in the case of Cash Settled Certificates) or (2) the value of the specified assets (in the case of Physical Delivery Certificates) (the "**Physical Settlement Value**") at any time prior to expiration (in the case of an Exercisable Certificate) or redemption (in the case of a Redeemable Certificate) is typically expected to be less than the trading price of such Certificates at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the "time value" of the Certificates. The "time value" of the Certificates will depend partly upon the length of the period remaining to expiration (in the case of an Exercisable Certificate) or redemption (in the case of a Redeemable Certificate) and expectations concerning the price or level of the Reference Item(s). Certificates offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Certificates varies with the price or level of the

Reference Item(s), as well as by a number of other interrelated factors, including those specified herein.

Before exercising (in the case of Exercisable Certificates) or selling Certificates, Holders should carefully consider, among other things, (i) the trading price of the Certificates, (ii) the price or level and volatility of the Reference Item(s), (iii) the time remaining to expiration or automatic exercise (in the case of an Exercisable Certificate) or redemption (in the case of a Redeemable Certificate), (iv) in the case of Cash Settled Certificates, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates and (vii) any related transaction costs.

An optional call or Trigger Early Exercise or redemption feature in Certificates is likely to limit their market value. In the case of an optional call feature, during any period when the relevant Issuer may elect to call Certificates, the market value of those Certificates generally will not rise substantially above the price at which they can be exercised or redeemed. This also may be true prior to any call period. In the case of a mandatory exercise or redemption feature, if the relevant Trigger Early Exercise Event or Trigger Early Redemption Event (as applicable) occurs the Certificates will be exercised or redeemed prior to their originally designated redemption or expiry date. Potential Investors should be aware that in certain circumstances, an optional call or Trigger Early Exercise or redemption of the Certificates by the Issuer may result in a loss of all or a substantial portion of their investment.

Expenses and Taxes

Subject to the Issuer's obligation to pay extra amounts as provided for and referred to in Condition 11.03 of the Certificate Conditions, a Holder must pay all Expenses relating to the Certificates. As used in the Certificate Conditions, "**Expenses**" means all taxes, duties and/or expenses, including any applicable depositary charges, transaction, exercise or redemption charges, trading costs, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or taxes or duties arising in connection with the exercise or redemption, as the case may be, of the Certificates and/or, where applicable, the delivery or transfer of any specified assets as more fully set out in Condition 11 of the Certificate Conditions.

Subject to the Issuer's obligation to pay extra amounts as provided for and referred to in Condition 11.03 of the Certificate Conditions, the Issuer will not otherwise be liable for, or obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise (in the case of the Exercisable Certificates), redemption (in the case of Redeemable Certificates) or enforcement of any Certificate by any person and all payments and/or deliveries made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Risks relating to Exercisable Certificates

There will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined, and such time lag could decrease the Cash Settlement Amount

In the case of any exercise of Exercisable Certificates, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Exercisable Certificates) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the Certificate Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Exercisable Certificates arising from any daily maximum exercise limitation (in the case of American Style

Certificates), the occurrence of a market disruption event or failure to open of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Linked Certificates. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Exercisable Certificates being exercised and may result in such Cash Settlement Amount being zero.

Holders may have to tender a specified number of Exercisable Certificates at any one time in order to exercise

If so indicated in the applicable Final Terms, a Holder must tender or hold a specified number of Exercisable Certificates at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Exercisable Certificates will either have to sell their Exercisable Certificates or purchase additional Exercisable Certificates, incurring transaction costs in each case, in order to realise their investment. Furthermore, Holders of such Exercisable Certificates incur the risk that there may be differences between the trading price of such Exercisable Certificates and the Cash Settlement Amount (in the case of Cash Settled Certificates) or the Physical Settlement Value (in the case of Physical Delivery Certificates) of such Exercisable Certificates.

The number of American Certificates exercisable on any date other than the Expiration Date may be subject to a maximum

In the case of American Style Certificates, if so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of American Style Certificates exercisable on any date (other than the Expiration Date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of American Style Certificates exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of American Style Certificates being exercised on any date (other than the Expiration Date) exceeds such maximum number and the Issuer elects to limit the number of American Style Certificates exercisable on such date, a Holder may not be able to exercise on such date all American Style Certificates that such Holder desires to exercise. In any such case, the number of American Style Certificates to be exercised on such date will be reduced until the total number of American Style Certificates exercised on such date no longer exceeds such maximum, such American Style Certificates to be exercised being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the American Style Certificates tendered for exercise but not exercised on such date will be automatically exercised on the next date on which American Style Certificates may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Exercise Notices

Investors should note that in order to receive payment of any amount or delivery of any specified assets due under an Exercisable Certificate (regardless of whether or not such an Exercisable Certificate will be automatically exercised), the relevant Holder will be required to deliver or send to the relevant clearing system, in a manner acceptable to such clearing system, a duly completed Exercise Notice, with a copy to the Issuer and Issuing and Paying Agent in accordance with the Certificate Conditions.

If, in the case of Exercisable Certificates other than ones subject to “**Automatic Exercise**”, a Holder does not submit a valid Exercise Notice before the Expiration Date of the Certificates, such Exercisable Certificates will become void.

In the case of Exercisable Certificates subject to “**Automatic Exercise**”, if an Exercise Notice is not submitted within 180 days after the Expiration Date or Actual Exercise Date (as applicable), the Issuer’s obligations in respect of the Securities shall be discharged.

Open-Ended Certificates

Open-Ended Certificates do not have any pre-determined cancellation date or expiration date and may be cancelled on any date determined by the Issuer, in its sole and absolute discretion, subject to compliance with the Certificate Conditions. Investment in Open-Ended Certificates will entail additional risks compared with other Certificates, due to the fact that the cancellation date or expiration date for such Open-Ended Certificates cannot be determined by the Investors.

Risks relating to Reference Item Linked Securities generally

The Issuer may issue Reference Item Linked Securities with principal, premium, interest or other amounts determined by reference to a particular Reference Item. In addition, the Issuer may issue Securities with principal or interest or other amounts payable in one or more currencies which may be different from the currency in which the Securities are denominated. An investment in such Securities entails significant risks that are not associated with similar investments in a conventional debt or equity securities and in some circumstances the value of the Securities and/or the amount paid at maturity, exercise or redemption (as applicable) may be less than the purchase price amount of the Securities and may be zero in which case an Investor may lose some or all of the amount it invested in the Securities. Potential Investors should be aware that:

- (i) the market price of such Securities may be volatile and the market price of the Securities at any time is likely to be affected primarily by changes in the level of the Reference Item to which the Securities are linked. It is impossible to predict how the level of the Reference Item will vary over time;
- (ii) they may receive no interest or additional amounts, as applicable, or they may receive interest or additional amounts at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal, interest or other amounts may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their investment;
- (v) if the principal of and/or premium or other amount payable on such a Security is so indexed, the amount of principal and/or premium or other amount payable in respect thereof may be less than the original purchase price of such Security and less than the nominal or face amount of Securities, and the amount of principal and/or premium or other amount payable may even be zero;
- (vi) Investors should be willing to hold these Securities until the maturity date, redemption date or expiration date (as applicable) as the secondary market for such Securities may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Securities may be sold prior to maturity, redemption, settlement or expiration;

- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the time remaining to the maturity, redemption or expiration of such Securities, the amount outstanding of such Securities, market interest rates, yield rates and the market for other types of related and unrelated financial instruments and where the Reference Item(s) are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (viii) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, funds or indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange on which any Reference Item and/or obligation of the issuer of the Reference Item may be traded. Additionally, if the formula used to determine the amounts payable with respect to such Securities contains a multiplier or leverage factor, the effect of any change in the Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant;
- (ix) the timing of changes in a Reference Item(s) may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item(s), the greater the effect on yield;
- (x) with respect to Equity Linked Securities, if such Securities are redeemable or settled (as applicable) either by payment of a cash amount or by delivery of the underlying securities in lieu thereof, there is no assurance that the cash amount or value of the securities received will not be less than the purchase price of the Securities;
- (xi) Securities are of limited maturity and, unlike direct investments in a share, index, fund, security, index, commodity or other asset, investors are not able to hold them beyond the maturity date, redemption date, settlement date or expiration date (as applicable) in the expectation of a recovery in the price of the underlying; and
- (xii) the price at which an investor will be able to sell Securities prior to the maturity date, redemption date, settlement date or expiration date (as applicable) may be at a substantial discount to the market value of the Securities at the time they are issued depending on the performance of the Reference Item.

The historical experience of the relevant currencies, commodities, interest rates, equities, indices, funds or other financial variables should not be taken as an indication of future performance of such currencies, commodities, interest rates, equities, indices, funds or other financial variables during the term of any Security. Prospective Investors should consult their own financial and legal advisors as to the risks entailed by an investment in such Securities and the suitability of such Securities in light of their particular circumstances.

Prospective Investors in Reference Item Linked Securities should understand the risks of transactions involving such Reference Item Linked Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of Reference Item Linked Securities in light of their particular financial circumstances, the information set

forth herein and the information regarding the relevant Reference Item Linked Securities and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Securities may relate, as specified in the applicable Final Terms.

As the amount of interest or additional amount (as applicable) payable periodically and/or amount payable at maturity, redemption or settlement (as applicable) may be linked to the performance of the Reference Item(s), an Investor in such a Reference Item Linked Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Reference Item Linked Securities will represent an investment linked to the economic performance of such Reference Item(s) and prospective Investors should note that the return (if any) on their investment in such Reference Item Linked Securities will depend upon the performance of such Reference Item(s). Potential Investors should also note that while the market value of Reference Item Linked Securities is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Reference Item Linked Securities represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or specified assets on the relevant maturity date, settlement date or redemption date (as applicable) as well as periodic payments of interest or additional amounts (as applicable) (if specified in the applicable Final Terms), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Final Terms will set out the provisions for the determination of any cash amount and/or specified assets and of any periodic interest or additional amount payments (as applicable).

PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE FINAL TERMS TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS AND/OR SPECIFIED ASSETS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST OR ADDITIONAL AMOUNT (AS APPLICABLE) ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED SECURITIES.

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Securities. Investors in Reference Item Linked Securities may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Reference Item Linked Securities other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or specified assets on the maturity date, redemption date or settlement date (as applicable) and payment of any periodic interest or additional amount (as applicable).

Other factors which may influence the market value of Reference Item Linked Securities include interest rates, potential dividend or interest payments (as applicable) in respect of the relevant Reference Item(s), changes in the method of calculating the level of the relevant Reference Item(s) from time to time and market expectations regarding the future

performance of the relevant Reference Item(s), its composition and such Reference Item Linked Securities.

If any of the relevant Reference Item(s) is an index, the value of such Reference Item(s) on any day will reflect the value of its constituents on such day. Changes in the composition of such Reference Item(s) and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of such Reference Item(s) and therefore may affect the return on an investment in Reference Item Linked Securities.

The Issuer may issue several issues of Reference Item Linked Securities relating to particular Reference Item(s). However, no assurance can be given that the Issuer will issue any Reference Item Linked Securities other than the Reference Item Linked Securities to which the applicable Final Terms relate. At any given time, the number of Reference Item Linked Securities outstanding may be substantial. Reference Item Linked Securities provide opportunities for investment and pose risks to Investors as a result of fluctuations in the value of the Reference Item(s) to which such Reference Item Linked Securities relate.

Securities may not benefit from a Protection Amount

The Investor should note that certain Reference Item Linked Securities may not benefit from a Protection Amount. On the maturity date, redemption date or settlement date (as applicable), the amount payable per Security may be less than the initial investment amount and purchasers of Securities are exposed to full loss of their investment.

Securities may have a Protection Amount only at maturity or redemption or expiration

In respect of a Series of Reference Item Linked Securities, to which a Protection Amount is specified in the applicable Final Terms, the redemption amount or cash settlement amount, as the case may be, will in no circumstances be paid at maturity, redemption or settlement (as applicable) at less than the specified percentage of the principal amount of the Note, or in the case of Redeemable Certificates, such other amount as indicated in the applicable Final Terms. There can be no assurance that the Securities will redeem above the minimum redemption or cash settlement amount. The return on the Securities will depend on the relevant Reference Item. If the value of the relevant Reference Item does not increase over the term of the Securities, an Investor in the Securities will not receive any return on its capital. Furthermore, such an Investor will have lost the opportunity to earn the profit that it might have earned on a deposit or any investment in fixed income securities of the same amount and the same duration. If the Securities are redeemed or cancelled early by the Issuer, Investors in the Securities may not be repaid the amount originally invested by them in the Securities.

Early redemption or cancellation for Illegality

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Securities or that any arrangements made to hedge the Issuer's obligations under such Securities have or will become unlawful, illegal, or otherwise prohibited in whole or in part, as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms together if

appropriate with accrued interest or, in the case of Certificates, cancel such Certificates upon payment to each Holder of an amount in respect of each Certificate or Unit, as the case may be, equal to the fair market value of each Certificate or Unit, as the case may be, together with accrued Additional Amounts (if applicable), and in each case taking into account hedging losses by any Hedging Entity.

Physical Delivery

Where the Securities provide for Physical Delivery, the Calculation Agent may determine that a Settlement Disruption Event is subsisting and/or where Failure to Deliver due to Illiquidity is specified as applying in the applicable Final Terms, that it is impossible or impracticable to deliver when due some or all of the specified assets due to illiquidity in the relevant market. A Settlement Disruption Event is an event beyond the control of the Issuer, as a result of which, in the opinion of the Calculation Agent, delivery of the specified assets to be delivered by or on behalf of the Issuer in accordance with the Conditions and/or the applicable Final Terms, is not practicable. Any such determination may affect the value of the Securities and/or may delay settlement in respect of the Securities and/or lead to cash settlement rather than physical settlement in respect of the Securities.

The Issuer will not be responsible for any such delay in settlement and shall not be obliged to compensate Holders. Holders will be solely responsible for determining whether they are permitted to hold any underlying securities, including under applicable securities laws.

Expenses for Physical Delivery

If Physical Delivery is specified in the applicable Final Terms as applying in relation to any Securities, all Expenses arising from the delivery of the specified assets in respect of such Securities shall be for the account for the relevant Holders and no delivery of the Reference Item(s) shall be made until all Expenses have been paid to the satisfaction of the Issuer and the relevant Holders.

Asset Transfer Notices and Collection Notices

In the case of Physical Delivery Securities, the investor must deliver a duly completed Asset Transfer Notice (in the case of Notes) or a Collection Notice (in the case of Redeemable Certificates) within 180 calendar days of the Cut-Off Date or the Issuer will be discharged in respect of its obligations under the Securities.

The Issuer may have the right to vary settlement

If so indicated in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the Securities. If exercised by the Issuer, this option will lead to Physical Delivery Securities being cash settled or Cash Settled Securities being physically settled. Exercise of such option may affect the value of the Securities.

No Claim against any Reference Item(s)

Owning Securities with payments and/or delivery of specified assets determined by reference to a Reference Item(s) is not the same as owning the Reference Item(s). A Security will not represent a claim against any Reference Item(s) and, in the event that the amount paid on

redemption of the Securities is less than the purchase price of the Securities, a Holder will not have recourse under a Security to any Reference Item(s). Accordingly, the market value of such Securities may not have a direct relationship with the market price of the Reference Item(s) and changes in the market price of the Reference Item(s) may not result in a comparable change in the market value of the Securities. For example, the market value of such Securities may not increase even if the price of the Reference Item(s) increases. It is also possible for the price of the Reference Item(s) to increase while the market price of such Securities declines.

The amount paid or the value of the specified assets delivered by the Issuer on redemption, cancellation or settlement (as applicable) of such Securities may be less than the purchase price of the Securities, together with any accrued interest or additional amounts (as applicable), and may in certain circumstances be zero.

Certain considerations regarding hedging

Prospective Investors intending to purchase Securities to hedge against the market risk associated with investing in a security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the security (or basket of securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities) or other asset or basis which may be specified in the applicable Final Terms.

Hedging and other potential conflicts of interest

The Issuer or one or more of its affiliates may hedge the obligations under Reference Item Linked Securities by purchasing or selling the Reference Item(s) or other derivative instruments with returns linked to or related to changes in the value of the Reference Item(s) and may also adjust these hedges by, among other things, purchasing or selling the Reference Item(s) or other derivative instruments at any time and from time to time. Any of these hedging activities may affect the price of the Reference Item(s) and, therefore, the value of associated Reference Item Linked Securities. It is possible that the Issuer or one or more of its affiliates could receive substantial returns from these hedging activities while the value of the Reference Item(s) may decline.

The Issuer or one or more of its affiliates may also engage in trading in the Reference Item(s) on a regular basis as part of general broker-dealer and other businesses of the Issuer or its affiliates, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Any of these activities could affect the price of the Reference Item(s) and, therefore, the value of the associated Reference Item Linked Securities. The Issuer or one or more of its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the value of the Reference Item(s) and the availability of such competing products could adversely affect the value of the Reference Item Linked Securities.

The Calculation Agent for an issue of Securities is the agent of the Issuer and not an agent for the Holders. Where the Issuer acts as Calculation Agent or the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence the amount receivable or specified assets deliverable upon redemption of the Securities. The Calculation Agent will make such determinations and adjustments as it deems appropriate, in accordance with the Conditions of the Securities. In making such determinations and adjustments, the Calculation Agent will be entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion.

The Issuer and any relevant Dealer may, at the date hereof or any time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Securities and may or may not be publicly available to Holders. There is no obligation on the Issuer or any Dealer(s) to disclose to Holders any such information.

No pledge or holding of Reference Item(s)

Neither the Issuer nor any of its affiliates will pledge or otherwise hold the Reference Item(s) or other derivative instruments for the benefit of Holders in order to enable Holders to exchange Reference Item Linked Securities for the associated Reference Item(s) or other derivative commitments under any circumstances. Consequently, in the event of a bankruptcy, insolvency or liquidation of the Issuer, any of the Reference Item(s) or other derivative commitments owned by the Issuer or its affiliates will be subject to the claims of the Issuer's creditors generally and will not be available specifically for the benefit of Holders.

Market Disruption Event and Disrupted Day

If an issue of Securities includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date, an Averaging Date, an Observation Date or a scheduled payment date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date, an Averaging Date, an Observation Date or a scheduled payment date, any consequential postponement of the Valuation Date, Averaging Date, an Observation Date or a scheduled payment date or any alternative provisions for valuation or payment provided in any Securities may have an adverse effect on the value of such Securities.

Post-Issuance Information

The Issuer will not provide post-issuance information in relation to the relevant Reference Item.

Risks relating to Specific Reference Item Linked Securities

Index Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon the level, or changes in the level, of an index or a basket of indices ("**Index Linked Securities**").

Potential Investors in any such Securities should be aware that, depending on the terms of the Index Linked Securities (i) they may receive no or a limited amount of interest or additional amounts (as applicable), (ii) payments may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

Returns on Index Linked Securities may not reflect the return an Investor would realise if it actually bought all securities comprised in the index and in the same proportion as the weighting of such securities in the index or, as the case may be, indices in an index basket and received the dividends paid on those securities because the closing index level or levels on any date may reflect the price of such securities without taking into account the value of dividends paid on those securities. Also, an Investor in the Securities will not benefit from any voting rights or rights to receive cash dividends or other distributions or rights that it would have benefited in case of direct investment in the securities.

The Calculation Agent may determine that an event giving rise to a Disrupted Day (as defined in the Conditions) has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay applicable redemption payments or settlement. Prospective Investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

The Index Sponsor of any relevant Index can add, delete or substitute the securities comprised in the Index or amend in any other way the methodology of the Index. Investors should be aware that those decisions by the Index Sponsor may adversely affect the value of the Securities (e.g. if a newly added company performs significantly worse or better than the company it replaces).

No Index Sponsor of any relevant Index has to consider interests of Holders in calculating and revising the Index.

If an Index Adjustment Event occurs, prospective purchasers should note that the Issuer may, in the case of Notes, redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms or, in the case of Certificates, cancel the Certificates upon payment of an amount to each Holder in respect of each Certificate or Unit, as the case may be, determined by reference to the fair market value of each Certificate or Unit, as the case may be, together with accrued Additional Amounts (if applicable), and in each case taking into account hedge costs.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption or expiration date (as applicable) and the volatility of the level of the index or indices. The level of the index or indices may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Equity Linked Securities

The Issuer may issue Securities where the amounts payable are dependent upon the price of or changes in the price of an equity security or a basket of equity securities or where, depending on the price of or change in the price of an equity security or a basket of equity securities, on redemption the Issuer's obligation is to deliver specified assets ("**Equity Linked Securities**").

Potential Investors in any such Securities should be aware that, depending on the terms of the Equity Linked Securities (i) they may receive no or a limited amount of interest or additional amounts, (ii) payment of any amounts or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, movements in the price of the equity security or basket of equity securities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the equity security or equity securities may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the equity security or equity securities, the greater the effect on yield.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay any applicable redemption payments, or settlement. Prospective Investors should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

If Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Insolvency Filing and/or Tender Offer are specified as applying in the applicable Final Terms, prospective Investors should note that the Securities will, in the case of Notes, be subject to adjustment or may be redeemed at the Early Redemption Amount specified in the applicable Final Terms or, in the case of Certificates, cancelled upon payment of an amount to each Holder in respect of each Certificate or Unit, as the case may be, determined by reference to the fair market value of each Certificate or Unit, as the case may be, together with accrued Additional Amounts (if applicable), in each case taking into account hedge costs.

In respect of Equity Linked Securities relating to an equity security or equity securities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the euro, if such equity security or equity securities is/are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange, prospective purchasers should note that the Calculation Agent will adjust any one or more of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Securities. Prospective purchasers should also note that the Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the relevant Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the relevant Valuation Time.

The market price of such Securities may be volatile and may be affected by the time remaining to the redemption or expiration date (as applicable), the volatility of the equity security or equity securities, the dividend rate (if any) and the financial results and prospects of the issuer or issuers of the relevant equity security or equity securities as well as economic, financial and political events in one or more jurisdictions, including factors affecting the stock exchange(s) or quotation system(s) on which any such securities may be traded.

Equity Linked Securities do not represent a claim against or an investment in any equity issuer and Holders will not have any recourse against the equity issuer.

Additional risk factors relating to Equity Linked Securities linked to ADRs and/or GDRs

An investment in the Securities linked to American Depositary Receipts (“**ADRs**”) or Global Depositary Receipts (“**GDRs**”) (ADRs and GDRs, together, “**Depositary Receipts**”) entails significant risks in addition to those associated with Equity Linked Securities and conventional debt or equity securities.

There are important differences between the rights of holders of Depositary Receipts and the rights of holders of the stock of the Underlying Equity Issuer represented by such Depositary Receipts. A Depositary Receipt is a security that represents equity securities of the relevant Underlying Equity Issuer. The relevant Deposit Agreement for the Depositary Receipt sets forth the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the Underlying Equity Issuer and holders of the Depositary Receipt which may be different from the rights of holders of the Underlying Equities. For example, the Underlying Equity Issuer may make distributions in respect of its Underlying Equities that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the Underlying Equities of the Underlying Equity Issuer may be significant and may materially and adversely affect the value of the relevant Securities.

The legal owner of the Underlying Equities is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the Underlying Equities. Particularly in the event that the custodian bank becomes insolvent or that enforcement measures are taken against the custodian bank, it is possible that an order restricting free disposition could be issued with respect to the Underlying Equities or that such shares are realised within the framework of an enforcement measure against the custodian bank. If this is the case, the holders of the Depositary Receipts lose their rights under the Underlying Equities and the Securities would become worthless.

Potential exposure to risks of emerging markets

Depositary Receipts often represent shares of Underlying Equity Issuers based in emerging market jurisdictions.

Where the terms and conditions of the Securities reference one or more emerging market Reference Item(s), purchasers of such Securities should be aware that the political and economic situation in countries with emerging economies or stock markets may be

undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuation. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means, popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Reference Item investment in those countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the Reference Item(s) illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to the Underlying Equity Issuers, and it may be difficult as a result to assess the value or prospects of the Reference Item(s).

Adjustment to the terms and conditions or replacement of the Reference Item following certain corporate events in relation to the Underlying Equities of Depositary Receipts may materially and adversely affect the value of the Securities.

Following certain corporate events specified in the Conditions of the relevant Securities relating to the Underlying Equities or the Underlying Equity Issuer of such Underlying Equities, such as a merger where the relevant company is not the surviving entity, the amount Holders will receive, if any, at maturity of such Securities may be adjusted by the Calculation Agent or the affected Underlying Equities and Depositary Receipts may be replaced by another Reference Item. The occurrence of such corporate events and the consequential amendments may materially and adversely affect the value of the Securities.

Additional considerations relevant for Index Linked Securities or Equity Linked Securities where an equity security, basket of equity securities or equity index is the Reference Item

Except as specified in the applicable Conditions, in relation to Physical Delivery Securities, Holders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and Holders will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

The Calculation Agent may not be required to make an adjustment for every event that can affect the reference index or equity securities. If an event occurs that does not require the Issuer to adjust the amount payable at maturity in respect of the reference equity security or reference index, the market price of the associated Reference Item Linked Securities and the amount of interest or the principal amount payable at the maturity may be materially and adversely affected.

The Issuer or one or more of its affiliates may, at present or in the future, engage in business with an Equity Issuer or its competitors, including making loans to or equity investments in an Equity Issuer or its competitors or providing either with investment banking, asset

management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between the Issuer's or its affiliates' obligations and the interests of Holders. Moreover, the Issuer or one or more of its affiliates may have published and may in the future publish research reports on an Equity Issuer or upon any reference index which may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Reference Item Linked Securities. Any of these activities could affect the price of the reference equity securities or index and, therefore, the value of the associated Reference Item Linked Securities.

If the Issuer and its affiliates are not affiliated with the Equity Issuers, the Issuer will have no ability to control or predict the actions of these issuers, including any corporate actions of the type that would require the Issuer to adjust the amount payable on the Reference Item Linked Securities, and will have no ability to control the public disclosure of these corporate actions or any other events or circumstances affecting the Equity Issuers. The Equity Issuers will have no obligation to consider the interests of Holders in taking any corporate actions that might affect the value of the associated Reference Item Linked Securities. The Equity Issuers may take actions that will adversely affect the value of the associated Reference Item Linked Securities. None of the money paid for the Reference Item Linked Securities will go to the Equity Issuers.

Neither the Issuer nor any of its affiliates assumes any responsibility for the adequacy or accuracy of the information about the Equity Issuers contained in any terms supplement or in any publicly available filings made by the Equity Issuers. Prospective Investors should make their own investigation into the relevant Equity Issuers.

Additional Disruption Events (Index Linked Securities, and Equity Linked Securities and Fund Linked Securities only)

If certain Additional Disruption Events are specified as applying in the applicable Final Terms, the Securities will be subject to adjustment or may be redeemed or cancelled (as applicable) upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Final Terms. "**Additional Disruption Events**" may include change in law, hedging disruption, increased cost of hedging and/or insolvency filings.

Commodity Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on maturity, redemption or settlement (as applicable) the Issuer may be obliged to deliver specified assets (together "**Commodity Linked Securities**").

Potential Investors in any such Securities should be aware that depending on the terms of the Commodity Linked Securities (i) they may receive no or a limited amount of interest or additional amounts, as applicable, (ii) payments or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or

basket of commodities may affect the actual yield to Investors, even if the average level is consistent with their expectations. In particular Commodity Linked Securities which are related to the value of commodities tend to be more volatile than traditional securities investments. The market values of commodities tend to be highly volatile. Commodity market values are not related to the value of a future income or earnings stream, as tends to be the case with fixed-income and equity investments, but are subject to variables of specific application to commodities markets. These variables include changes in supply and demand relationships, governmental programmes and policies, national and international monetary, trade, political, judicial and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal and exchange control policies. These factors may have a larger impact on commodity prices and commodity-linked instruments than on traditional fixed-income and equity securities. Further, in general, the earlier the change in the price or prices of the commodities, the greater the effect on yield.

The market price of such Securities may be volatile and may depend on the time remaining to the redemption or expiration date (as applicable) and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

Commodity Linked Securities which are linked to commodity futures contracts may provide a different return from Commodity Linked Securities linked to the relevant physical commodity and will have certain other risks.

The price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the commodity. This discrepancy is due to such factors as (i) the need to adjust the spot price due to related expenses (e.g., warehousing, transport and insurance costs) and (ii) different methods being used to evaluate general factors affecting the spot and the futures markets. In addition, and depending on the commodity, there can be significant differences in the liquidity of the spot and the futures markets.

Investment in futures contracts involve certain other risks, including potential illiquidity. A holder of a futures position may find that such position becomes illiquid because certain commodity exchanges limit fluctuations in such futures contract prices pursuant to "daily limits". Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, contracts can neither be bought nor sold unless holders are willing to trade at or within the limit. This could prevent a holder from promptly liquidating unfavourable positions and subject it to substantial losses. Futures contract prices in various commodities occasionally exceed the daily limit for several days with little or no trading. Such losses could have an adverse effect on the return of Commodity Linked Securities linked to the affected futures contracts. Any illiquidity disruption or force majeure event (such as an act of God, fire, flood, severe weather conditions, act of governmental authority or a labour dispute or shortage) is likely to have an adverse affect on the value of or trading in commodities or futures contracts or such commodities and adversely affect the value of the Commodity Linked Securities.

Commodity futures contracts have a predetermined expiration date. Holding a commodity futures contract until expiration will result in delivery of the underlying physical commodity or the requirement to make or receive a cash settlement. Alternatively, "rolling" the commodity

futures contract means that the commodity futures contract that is nearing expiration (the “**near-dated commodity contracts**”) is sold before it expires and a commodity futures contract that has an expiration date further in the future (the “**longer-dated commodity contracts**”) is purchased. In order to maintain an ongoing exposure to such commodities “rolling” of the applicable commodity futures contracts is applied.

“Rolling” can affect the value of an investment in commodities in a number of ways, including:

An investment in commodity futures contracts may increase or decrease through “rolling”: Where the price of a near-dated commodity contract is greater than the price of the longer-dated commodity contract (the commodity is said to be in “backwardation”), then “rolling” from the former to the latter will result in greater exposure to the longer-dated commodity contract. Therefore, any loss or gain on the new positions will be greater than if an investor had synthetically held the same number of commodity contracts as before the “roll”. Conversely, where the price of the near-dated commodity contract is lower than the price of the longer-dated commodity contract (the commodity is said to be in “contango”), then “rolling” will result in less exposure to the longer-dated commodity contract. Therefore, any gain or loss on the new positions will be less than if an investor had synthetically held the same number of commodity contracts as before the “roll”.

Where a commodity futures contract is in contango this is expected to (though may not) have a negative effect over time. Where a commodity futures contract is in backwardation this is expected to (though may not) have a positive effect over time. Where a commodity contract is in contango, then the price of the longer-dated commodity contract will be expected to (but may not) decrease over time as it nears expiry. In such event, rolling is expected to have a negative effect on an investment in the commodity contract. Where a commodity contract is in backwardation, then the price of the longer-dated commodity contract is expected to (but may not) increase over time as it nears expiry. In such event, the investment in the relevant commodity futures contract is expected to (but may not) be positively affected.

Commodity Indices are indices which track the performance of one or more commodity futures contracts relating to certain commodities, depending on the particular index. The weighting of the respective commodities included in a commodity index will depend on the particular index, and is generally described in the relevant index rules of the index. Commodity Indices usually apply “rolling” of the component commodity contracts in order to maintain an ongoing exposure to such commodities. Accordingly, the same effects as described above with regard to “rolling” also apply with regard to the index level of a Commodity Index.

Commodities are generally divided into four main classes and Commodity Indices may include one or more of these: (i) Energy: which includes crude oil, gasoline, heating oil and natural gas; (ii) Agriculture: which includes corn, soybeans, wheat, sugar, cocoa, cotton and coffee; (iii) Livestock: which includes cattle and hogs; and (iv) Metals: which can be subdivided into base metals such as aluminium, copper, nickel, lead and zinc, and precious metals such as gold, silver and platinum. Specific risk factors in respect of each of these classes of Commodities are set out below:

Additional Risks Associated with Commodity Linked Securities linked to Aluminium, Copper, Lead, Nickel or Zinc

Commodity Linked Securities may be subject to certain risks specific to aluminium, copper, lead, nickel or zinc.

Aluminium, copper, lead, nickel and zinc are industrial metals. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities that are linked to the price of aluminium, copper, lead, nickel or zinc may be subject to a number of additional factors specific to industrial metals that might cause price volatility. These may include, among others:

- (i) changes in the level of industrial activity using industrial metals including the availability of substitutes such as man-made or synthetic substitutes;
- (ii) disruptions in the supply chain, from mining to storage to smelting or refining;
- (iii) adjustments to inventory;
- (iv) variations in production costs, including storage, labour and energy costs;
- (v) costs associated with regulatory compliance, including environmental regulations; and
- (vi) changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of any industrial metal may offset or enhance the effect of another factor.

The London Metal Exchange's (the "LME") use of or omission to use price controls may result in limited appreciation but unlimited depreciation in the price of certain industrial metals futures contracts traded on LME and, therefore, the value of Commodity Linked Securities linked to the price of such metals.

United States exchanges have "daily limits" (as described above) that may occur during a single business day. In contrast, futures contracts on aluminium, copper, lead, nickel or zinc that are traded on LME are not subject to "daily limits". In a declining market, therefore, it is possible that prices for one or more contracts traded on LME would continue to decline without limitation within a trading day or over a period of trading days. A steep decline in the price of the futures contract could have a significant adverse impact on the value of any Commodity Linked Securities linked to such aluminium, copper, lead, nickel or zinc futures contracts.

Moreover, LME has discretion to impose "backwardation limits" by permitting short sellers who are unable to effect delivery of an underlying commodity and/or borrow such commodity at a price per day that is no greater than the backwardation limit to defer their delivery obligations by paying a penalty in the amount of the backwardation limit to buyers for whom delivery was deferred. Backwardation limits tend to either constrain appreciation or cause depreciation of the prices of futures contracts expiring in nearby delivery months. Impositions of backwardation limits could adversely affect the value of any Commodity Linked Securities linked to such aluminium, copper, lead, nickel or zinc futures contracts.

Contracts traded on LME are exposed to concentration risks beyond those characteristic of futures contracts on United States futures exchanges.

Futures contracts traded on United States futures exchanges generally call for delivery of the physical commodities to which such contracts relate in stated delivery months. In contrast, contracts traded on LME may call for delivery on a daily, weekly or monthly basis. As a result, there may be a greater risk of a concentration of positions in contracts trading on LME on particular delivery dates than for futures contracts traded on United States futures exchanges, since, for example, contracts calling for delivery on a daily, weekly or monthly basis could call for delivery on the same or approximately the same date. Such a concentration of positions, in turn, could cause temporary aberrations in the prices of contracts traded on LME for delivery dates to which such positions relate. To the extent such aberrations are in evidence on a given pricing date with respect to the price of any such futures contract, they could adversely affect the value of any Commodity Linked Securities linked to such futures contracts.

Additional Risks Associated with Commodity Linked Securities linked to Cocoa, Coffee, Corn, Cotton, Soybeans, Sugar or Wheat

Commodity Linked Securities may be subject to certain risks specific to cocoa, coffee, corn, cotton, soybeans, sugar or wheat.

Cocoa, coffee, corn, cotton, soybeans, sugar and wheat are agricultural commodities. Cocoa, coffee, cotton and sugar are soft commodities; corn, soybeans and wheat are grains. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities that are linked to the price of cocoa, coffee, corn, cotton, soybeans, sugar or wheat may be subject to a number of additional factors specific to agricultural commodities and softs or grains that might cause price volatility. These may include, among others:

- (i) weather conditions, including floods, drought and freezing conditions;
- (ii) changes in government agricultural policies;
- (iii) changes in global demand for food or clothing;
- (iv) planting decisions;
- (v) changes in bio-diesel or ethanol demand; and
- (vi) changes in demand for agricultural products, softs or grains both with end users and as inputs into various industries.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of cocoa, coffee, corn, cotton, soybeans, sugar or wheat, may offset or compound the effect of another factor.

Additional Risks Associated with Commodity Linked Securities linked to Crude Oil or Natural Gas

Commodity Linked Securities may be subject to certain risks specific to crude oil or natural gas.

Crude oil and natural gas are energy-related commodities. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked to the price of crude oil or natural gas may be subject to a number of additional factors specific to energy-related commodities that might cause price volatility. These may include, among others:

- (i) changes in the level of industrial and commercial activity with high levels of energy demand;
- (ii) disruptions in the supply chain or in the production or supply of other energy sources;
- (iii) price changes in alternative sources of energy;
- (iv) adjustments to inventory;
- (v) variations in production and shipping costs;
- (vi) costs associated with regulatory compliance, including environmental regulations; and
- (vii) changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

These factors interrelate in complex ways and the effect of one factor on the market value of Commodity Linked Securities linked to the price of crude oil or natural gas may offset or compound the effect of another factor.

Additional Risks Associated with Commodity Linked Securities linked to Gold, Silver or Platinum

Commodity Linked Securities may be subject to certain risks specific to gold, silver or platinum.

Gold, silver and platinum are precious metals. In addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked to the price of gold, silver or platinum may be subject to a number of additional factors specific to precious metals that might cause price volatility. These may include, among others:

- (i) disruptions in the supply chain, from mining to storage to smelting or refining;
- (ii) adjustments to inventory;
- (iii) variations in production costs, including storage, labour and energy costs;
- (iv) costs associated with regulatory compliance, including environmental regulations;
- (v) changes in industrial, government and consumer demand, both in individual consuming nations and internationally;
- (vi) precious metal leasing rates;
- (vii) currency exchange rates;
- (viii) level of economic growth and inflation; and
- (ix) the degree to which consumers, governments, corporate and financial institutions hold physical gold as a safe haven asset (hoarding) which may be caused by a banking crisis/recovery, a rapid change in the value of other assets (both financial and physical) or changes in the level of geopolitical tension.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of gold, silver or platinum, may offset or compound the effect of another factor.

Additional Risks Associated with Securities linked to Lean Hogs or Live Cattle

Commodity Linked Securities may be subject to certain risks specific to lean hogs or live cattle.

Lean hogs and live cattle are a type of livestock. Consequently, in addition to factors affecting commodities generally that are described above, Commodity Linked Securities linked to the price of lean hogs or live cattle may be subject to a number of additional factors specific to livestock that might cause price volatility. These may include, among others:

- (i) weather conditions, including floods, drought and freezing conditions;
- (ii) disease and famine;
- (iii) changes in government agricultural and/or livestock policies; and
- (iv) changes in end-user demand for livestock.

These factors interrelate in complex ways, and the effect of one factor on the market value of Commodity Linked Securities linked to the price of lean hogs or live cattle, may offset or enhance the effect of another factor.

Fund Linked Securities

General

The Issuer may issue Securities where the amounts payable are dependent upon the price or changes in the price of one or more Fund Interests or Fund Shares or where, depending on the price or changes in the price of one or more Fund Interests or Fund Shares, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Securities may bear similar market risks to a direct fund investment and investors should take advice accordingly. Funds may also include exchange traded funds (“ETFs”).

Potential Investors in any such Securities should be aware that depending on the terms of the Fund Linked Securities (i) they may receive no or a limited amount of interest or additional amounts, as applicable, (ii) payments or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of one or more Fund Shares or Fund Interests may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the one or more Fund Shares or Fund Interests may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of one or more Fund Shares or Fund Interests, the greater the effect on yield.

Neither the Issuer nor its affiliates have the ability to control or predict the actions of the Fund Adviser or other Fund Service Provider. The Fund Adviser is not involved in the offer of the Securities in any way and has no obligation to consider the interests of the Holders in taking any corporate actions that might affect the value of the Securities.

The Issuer will have no role in the relevant Fund. The Fund Adviser is responsible for making strategic, investment and other trading decisions with respect to the management of the Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which a Fund is managed and the timing of such decisions will have a significant impact on the performance of the Fund. Hence, the price which is used to calculate the performance of the Fund is also subject to these risks. Set out below are risks common to any fund or funds and are not specific to the Fund. These risks include:

- (i) the risk that the share price of one or more of the assets in the Fund's portfolio will fall, or will fail to rise. Many factors can adversely affect an asset's performance, including both general financial market conditions and factors related to a specific asset or asset class;
- (ii) general macro-economic or asset class specific factors, including interest rates, rates of inflation, financial instability, lack of timely or reliable financial information or unfavourable political or legal developments;
- (iii) asset allocation policies of the Fund Adviser;
- (iv) credit quality and the risk of default of one of the hedge funds or of assets generally held in the Fund;
- (v) the risk that the Fund's investment objectives and/or investment restrictions as set out in its constitutive documents are materially changed, not complied with or the method of calculating the Net Asset Value is materially changed;
- (vi) the risk that the Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Adviser is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law; and
- (vii) the risk that the Fund is subject to a fraudulent event.

Prospective Investors in the Securities should be aware that the Fund Adviser will manage the Fund in accordance with the investment objectives of and guidelines applicable to the Fund. Furthermore, the arrangements between the Fund Adviser and the Fund have, in most cases, not been negotiated at arm's length and it is unlikely that the Fund Adviser will be replaced or that additional fund managers and/or fund advisers will be retained.

Use of estimates

Potential Investors should understand that for certain determinations, the Calculation Agent or the Issuer may be required to rely on (a) values that at the time they are required are only estimated values, and (b) information provided by third parties, such as the Fund Adviser or Fund Service Providers, on the basis of their models, market anticipation and assumptions, the accuracy of which neither the Issuer nor the Calculation Agent has any control, and as such, they may rely on this information without any obligation to verify or otherwise corroborate it.

Changing value

The value of the Securities may move up or down between the Issue Date and the maturity date, redemption date, settlement date or exercise date (as applicable) and an Investor in the Securities in the secondary market during that time or on maturity of the Securities may sustain a significant loss. Factors that may influence the value of the Securities include: the value of the Fund; the creditworthiness of the Issuer in respect of the Securities; and those economic, financial, political and regulatory events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

The market price of a Fund Share in an ETF may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of a Fund Share and may be affected by the performance of the Fund Service Providers, and in particular the Fund Adviser. The price of a Fund Share may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such Fund Share may be traded).

Prospective Investors of the Securities have no rights with respect to the Fund or underlying Fund Shares or Fund Interests

A prospective Investor in Securities has no rights with respect to the Fund Shares or Fund Interests including, without limitation, the right to receive dividends or other distributions. None of the Issuer, any Dealers or the Agents or any of their respective affiliates has performed any investigation or review of any entities that manage a Fund for the purpose of forming a view as to the merit of an investment linked to such Fund. None of the Issuer, any Dealers or the Agents or any of their respective affiliates have performed or will perform any investigation or review of any entities that manage the Fund from time to time, including any investigation of public filings of such entities, for the purpose of forming a view as to the suitability of an investment linked to the Net Asset Value per underlying Fund Interest or Fund Share and they make no guarantee or express or implied warranties in respect of the Fund, the Fund Adviser or any other entity. Accordingly, Investors should not conclude that the issue by the Issuer of the Securities is any form of investment recommendation or advice by any of the Issuer, any Dealers or the Agents or any of their respective affiliates.

Fund Events

Prospective Investors should understand that, if a Fund Event is applicable, on the occurrence of any of the Fund Events, the Issuer may require the Calculation Agent: (i) to make such adjustments as it determines appropriate, including delaying any determination date or related payment date until it determines that no Fund Event exists, (ii) select replacement Funds, or (iii) in the case of Notes, redeem the Notes early and pay each Holder the Early Redemption Amount or, in the case of Certificates, cancel the Certificates upon payment of an amount in respect of each Certificate or Unit, as the case may be, equal to the fair market value of each Certificate or Unit, as the case may be, together with accrued Additional Amounts (if applicable), in each case taking into account hedge costs. “**Fund Events**” include Additional Fund Disruption Events (which include Change in Law, Fund Hedging Disruption and Increased Cost of Hedging), Fund Value Disruption, Fund Settlement Disruption, Nationalisation, Insolvency, Fund Insolvency, NAV Trigger Event, Adviser Resignation Event, Fund Modification, Strategy Breach, Regulatory Action, Reporting

Disruption, Fund Service Provider Cessation, Fund Administration Disruption and Related Agreement Termination.

Fund Potential Adjustment Events

Following the declaration by a Fund of any Fund Potential Adjustment Event, the Calculation Agent may determine to make adjustments to the terms of the Fund Linked Securities.

Exchange Traded Funds

In the case where the Fund is an ETF, if De-listing, Insolvency, Material Underlying Event (which includes events in relation to the ETF and/or Fund Share which is materially prejudicial to the Issuer in connection with the issue of the Fund Linked Securities or any related hedging arrangement) and/or Merger Event, Nationalisation and/or Tender Offer occurs, the Securities will also be subject to adjustment or in the case of Notes, early redemption at the Early Redemption Amount specified in the applicable Final Terms, or, in the case of Certificates, cancellation upon payment of an amount to each Holder in respect of each Certificate or Unit, as the case may be, determined by reference to the fair market value of each Certificate or Unit, as the case may be, taking into account hedging costs.

If Fund Potential Adjustment Events occur, prospective purchasers should note that the Securities will be subject to adjustment.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities and/or may delay any applicable redemption payments, or settlement. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Securities.

Credit Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon whether certain events have occurred in respect of a specified entity (the “**Reference Entity**”) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer’s obligation is to deliver certain specified assets.

Potential Investors in any such Securities should be aware that depending on the terms of the Credit Linked Securities (i) they may receive no or a limited amount of interest or principal or other amounts, (ii) payment of principal, interest or other amounts or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of such Securities may be volatile and will be affected by, amongst other things, the time remaining to the redemption or expiry date and the financial condition and creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions or industries and changes in prevailing interest rates.

Where the Securities provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which 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 assets which are loans) it is impossible or illegal to deliver on the Settlement Date or Redemption Date or (b) assets which the Hedging Entity has not received under the terms of any transaction entered into by Hedging Entity to hedge the Issuer's obligations in respect of the Securities. Any such determination may delay settlement in respect of the Securities and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Securities and, in the case of payment of a cash amount, will affect the timing of the valuation of such Securities and as a result, the amount payable on redemption or settlement. Prospective purchasers should review the relevant Conditions of the Securities and the applicable Final Terms to ascertain whether and how such provisions should apply to the Securities.

The Issuer's obligations in respect of Credit Linked Securities are irrespective of the existence or amount of the Issuer's and/or any affiliates' credit exposure to a Reference Entity and the Issuer and/or any affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Currency Linked Securities

The Issuer may issue Securities where amounts payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Securities are denominated ("**Currency Linked Securities**"). Accordingly, an investment in Currency Linked Securities may bear similar market risks to a direct foreign exchange investment and investors should take advice accordingly. An investment in Currency Linked Securities will entail significant risks not associated with a conventional debt security.

Potential investors in any Currency Linked Securities should be aware that depending on the terms of the Currency Linked Securities (i) they may receive no or a limited amount of interest, (ii) payments or delivery of any specified assets may occur at a different time than expected and/or (iii) except in the case of principal protected Securities, they may lose all or a substantial portion of their investment if the applicable currency exchange rates do not move in the anticipated direction.

In addition, the movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price of the currency exchange rates, the greater the effect on yield.

If the Final Redemption Amount, Cash Settlement Amount, interest or additional amounts payable, or Entitlement deliverable, are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on the Final Redemption Amount, Cash Settlement Amount, interest or additional amounts payable, or Entitlement deliverable, will be magnified.

Fluctuations in exchange rates of the relevant currency (or the relevant currencies contained in a basket of currencies) will affect the value of Currency Linked Securities. Furthermore, investors who intend to convert gains or losses from the exercise, redemption or sale of Currency Linked Securities into their home currency may be affected by fluctuations in

exchange rates between their home currency and Settled Currency (as defined below) of the Securities. Currency values may be affected by complex political and economic factors, including, without limitation, governmental action to fix or support the value of a currency/currencies, regardless of other market forces (see “*Exchange rate risks and exchange controls*” below).

Early Redemption, Exercise or Cancellation

Following any early redemption, cancellation or exercise (as applicable), an Investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or additional amount rate on the relevant Securities and may only be able to do so at a significantly lower rate. Potential Investors should consider reinvestment risk in light of other investments available at that time.

Variable rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Securities issued at a substantial discount or premium

The issue price of Securities specified in the applicable Final Terms may be more than the market value of such Securities as of the issue date, and the price, if any at which a Dealer or any other person willing to purchase the Securities in secondary market transactions may be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the hedging of the Issuer’s obligations under such

Securities, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result.

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

Risks related to the Securities generally

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

Modification and Waivers

The Conditions of the Securities contain provisions for calling meetings of Holders to consider matters affecting their interest generally. These provisions permit defined majorities to bind (and to modify or waive certain terms and conditions of the Securities or covenants and agreements made by the Issuer) all Holders including Holders who do not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority.

No obligation to maintain listing

The Issuer is not under any obligation to Holders to maintain any listing of Securities and may, in its sole discretion, determine that it is unduly burdensome to maintain such listing and seek to terminate the listing of such Securities provided it uses all reasonable efforts to seek an alternative admission to listing, trading and/or quotation of such Securities by another listing authority, securities exchange and/or quotation system that it deems appropriate (including a market which is not a regulated market for the purposes of the Markets in Financial Instruments Directive or a market outside the EEA). However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Securities as a result of the listing on a regulated market for the purposes of the Markets in Financial Instruments Directive in the European Economic Area, de-listing such Securities may have a material affect on the ability to (i) continue to hold such Securities or (ii) resell the Securities in the secondary market.

Tax treatment

The tax treatment of any amount to be paid in relation to the Securities to a Holder may reduce such holder's effective yield on the Securities.

Significant aspects of the tax treatment of such Reference Item Linked Securities may be uncertain. In addition, tax treatment may change before the maturity, exercise or redemption (as applicable) of the Securities. Prospective Investors should consult their tax advisors about their own tax situation.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Tax**

Directive”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Tax Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Securities as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Tax Directive.

Change in law

No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Province of Ontario and the federal laws of Canada applicable therein (in the case of Securities governed thereby) or English law (in the case of Securities governed thereby) or administrative practice after the date of this Prospectus and before the date on which the relevant Securities are issued.

Bearer Notes where denominations involve integral multiples: definitive Bearer Notes

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

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

Minimum Trading Size Risk

Securities may, if specified in the applicable Final Terms, be subject to a Minimum Trading Size, in which case such Securities will, for so long as they are held in a clearing system, be transferable only in a principal amount in the case of Notes or in a number in the case of

Certificates, of not less than such Minimum Trading Size. Notwithstanding the foregoing, such Securities will only be transferable in accordance with the rules of the relevant clearing system.

Canadian Usury Laws

The Criminal Code (Canada) prohibits the receipt of “interest” at a “criminal rate” (namely, an effective annual rate of interest that exceeds 60 per cent.). Accordingly, the provisions for the payment of interest or a Redemption Amount in excess of the aggregate principal amount of the Securities may not be enforceable if the provision provides for the payment of “interest” in excess of an effective annual rate of interest of 60 per cent.

Risks related to the market generally

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

The secondary market generally

Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, Investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed liquid secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of Investors (such as Reference Item Linked Securities) or for Securities which are not listed on any stock exchange or for Securities the outstanding number of which is very low. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Securities. Also (in the case of American Style Certificates) to the extent Exercisable Certificates of a particular issue are exercised, the number of Certificates of such issue outstanding will decrease resulting in diminished liquidity for the remaining Exercisable Certificates of such issue. A decrease in the liquidity of an issue of Exercisable Certificates may cause, in time, an increase in the volatility associated with the price of such issue of Certificates.

Exchange rate risks and exchange controls

The Issuer will pay amounts on the Securities in the Specified Currency or Settlement Currency (as applicable) (the “**Settled Currency**”). This presents certain risks relating to currency conversions if an Investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Settled Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settled Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Settled Currency would decrease (i) the Investor’s Currency-equivalent yield on the Securities, (ii) the Investor’s Currency-equivalent value of the principal payable on the Securities and (iii) the Investor’s Currency-equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount or Additional Amounts (in the case of Cash Settled Certificates) or the Final Redemption Amount and any interest (in the case of Notes) that Investors receive may be less than expected or zero.

Interest rate risks

Investment in Fixed Rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Securities.

Market value of Securities

The market value of an issue of Securities will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:

- (i) the value and volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Securities or any Reference Item(s) in the secondary market;
- (vi) the time remaining to any redemption date or expiration date (as applicable); and
- (vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item(s) may be traded.

The price at which a Holder will be able to sell any Securities prior to maturity, redemption or expiration (as applicable) may be at a discount, which could be substantial, to the market value of such Securities on the issue date, if, at such time, the market price of the Reference Item(s) is below, equal to or not sufficiently above the market price of the Reference Item(s) on the issue date. The historical market prices of any Reference Item should not be taken as an indication of such Reference Item's future performance during the term of any Security.

Credit ratings might not reflect all risks

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

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (the “**CRA Regulation**”) from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and credit ratings will be disclosed in the Final Terms.

Legal investment considerations may restrict certain investments

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

Interests of Dealers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer in the ordinary course of business.

The Issuer may sell Securities to one or more of the Dealers including Royal Bank of Canada Europe Limited, which is a wholly-owned indirect subsidiary of the Bank. The terms of the Programme were negotiated at arm’s length between the Issuer and the Dealers. In addition to any proceeds from any offering of the Securities under the Programme being applied, directly or indirectly, for the benefit of Royal Bank of Canada Europe Limited in its capacity as a wholly-owned indirect subsidiary of the Bank, Royal Bank of Canada Europe Limited will receive a portion of any fees and commissions payable in connection with any such offering of Securities in its capacity as a Dealer.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this document and as at the date of this document have been approved by or filed with the Financial Services Authority are hereby incorporated in, and form part of, this document and both the Base Prospectus and Listing Particulars set out in this document:

- (a) the Annual Information Form dated December 2, 2010 (the “**AIF**”), including, in particular, the following sections:
 - (i) “Description of the Business – General Summary” on page 4;
 - (ii) “Competition” on page 4; and
 - (iii) “Appendix A - Principal Subsidiaries” on page 24;

- (b) the following sections of the Bank’s 2010 Annual Report (the “**2010 Annual Report**”) for the year ended October 31, 2010:
 - (i) the Management’s Discussion and Analysis on pages 5 to 71, including, in particular, a description of risk factors related to the Bank and its business, and the steps taken to manage such risks, under the heading “Risk management” on pages 37 to 47 and “Overview of other risks” on pages 48 to 50 and information about trends, commitments, events and uncertainties for the Bank and each business segment known to the Bank’s management which is provided under the heading “Economic, market and regulatory review and outlook – data as at December 2, 2010” on pages 7 to 9, “Outlook and priorities” on pages 14 to 15, 18, 21, 25 and 28 together with the caution provided under heading “Caution regarding forward-looking statements” on page 5; and
 - (ii) audited consolidated financial statements for the fiscal year ended October 31, 2010 with comparative consolidated financial statements for the fiscal year ended October 31, 2009, prepared in accordance with Canadian GAAP, together with the auditor’s report thereon on pages 73 to 151 (excluding, for greater certainty, Management’s Report on Internal Control over Financial Reporting and the Report of the Independent Registered Chartered Accountants thereon);

the remainder of the 2010 Annual Report is either not relevant for prospective Investors or covered elsewhere in this document and is not incorporated by reference;

- (c) the following sections of the Bank’s Second Quarter 2011 Report to Shareholders:
 - (i) information about legal and arbitration proceedings to which the Bank is a party provided under the heading “Litigation” on page 49;

- (ii) Management's Discussion and Analysis on pages 2 to 27, including, in particular, information about trends, commitments, events and uncertainties for the Bank known to the Bank's management which is provided on pages 4 and 15 under the headings "Economic, market and regulatory review and outlook – data as at May 26, 2011" and "Quarterly results and trend analysis" together with the Caution provided under the heading "Caution regarding forward-looking statements" on page 2; and
- (iii) the unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2011 with comparative unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2010, prepared in accordance with Canadian GAAP, set out on pages 28 to 65;

the remainder of the Bank's Second Quarter 2011 Report to Shareholders is not relevant for prospective Investors or is covered elsewhere in this document and is not incorporated by reference; and

- (d) the sections entitled "Terms and Conditions of the Notes" set out in the Prospectuses dated July 16, 2010, July 16, 2009, July 16, 2008, July 16, 2007, July 14, 2006 and July 29, 2005 relating to the Programme; for the avoidance of doubt, the applicable Final Terms for a Tranche of Notes will indicate the Terms and Conditions applicable to such Tranche and unless otherwise indicated in the applicable Final Terms, the Terms and Conditions of all Notes issued after the date hereof shall be those set out in this document,

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein, in the Bank's Second Quarter 2011 Report to Shareholders noted in (c) above, or in any supplement hereto filed under Article 16 of the Prospectus Directive or section 87G of FSMA, as the case may be, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Information, documents or statements expressed to be incorporated by reference into, or that form part of one or more of, the documents noted above form part of this document but do not form part of the Base Prospectus of the Issuer approved by the UK Listing Authority for purposes of the Prospectus Directive.

In addition, the following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this document, provided that such documents shall not form part of the Base Prospectus approved by the UK Listing Authority for the purposes of the Prospectus Directive unless otherwise incorporated in a supplementary prospectus approved by the UK Listing Authority:

- (e) the Bank's most recently published Annual Information Form;
- (f) the Bank's audited consolidated financial statements, together with the auditor's report thereon (excluding, for greater certainty, Management's Report on Internal Control over Financial Reporting and the Report of the Independent Registered

Chartered Accountants thereon) and management's discussion and analysis for the year then ended contained in the most recently published Annual Report to Shareholders and, if published later, the Bank's comparative unaudited interim consolidated financial statements and management's discussion and analysis for the period then ended contained in the most recently published Quarterly Report to Shareholders;

- (g) all supplements or amendments to the Prospectus prepared by the Bank from time to time (other than those filed pursuant to Article 16 of the Prospectus Directive and approved by the UK Listing Authority under section 87G of FSMA); and
- (h) any material change reports (excluding confidential material change reports) filed by the Bank with the various securities commission or similar authorities in Canada pursuant to the requirements of applicable securities legislation, after the date of this document and during the currency of this document;

provided that any statement contained herein or in a document all or the relative portion of which is or is deemed to be incorporated by reference shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein, in any other subsequently filed document which is or is deemed to be incorporated by reference in this document, or in any supplement approved by the UK Listing Authority (including any documents incorporated by reference therein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of this document and the documents incorporated by reference herein (but, in respect of (1) below, excluding items (e) to (h) above unless otherwise incorporated in a supplementary prospectus under Article 16 of the Prospectus Directive) and any supplement hereto approved by the UK Listing Authority can be (1) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and the headline "Publication of Prospectus" and (2) obtained on written request and without charge from the Issuer at 200 Bay Street, 4th Floor, North Tower, Toronto, Ontario, Canada M5J 2W7, Attention: Investor Relations and from the office of the Issuing and Paying Agent, Royal Bank of Canada, 71 Queen Victoria Street, London EC4V 4DE, Attention: Bond Agency Department. Copies of the documents incorporated by reference referred to in (e), (f) and (h) can be viewed on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.SEDAR.com (an internet based securities regulatory filing system). Please note that websites and urls referred to herein do not form part of the Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Securities issued in circumstances requiring publication of a prospectus under the Prospectus Directive. The Issuer has undertaken to the Dealers in the Amended and Restated Distribution Agreement (as defined in "Subscription and Sale") that it will comply with section 87G of the FSMA.

The financial information of the Bank incorporated by reference or otherwise contained in this document has been prepared in accordance with Canadian GAAP. Accordingly it is not

comparable to the audited financial statements of companies using accounting principles generally accepted in the United States (“**US GAAP**”) or **IFRS**. A reconciliation of Canadian GAAP and US GAAP is contained in Note 31 to the Bank’s audited consolidated financial statements for the year ended October 31, 2010, which are incorporated by reference within this document. The consolidated financial statements of the Bank incorporated by reference in this document have not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of the European Union. The Bank is required to adopt IFRS for the financial year commencing November 1, 2011.

FINAL TERMS OR DRAWDOWN PROSPECTUS

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

Any information relating to the Securities which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Securities will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless, in accordance with Article 16 of the Prospective Directive, any of such information constitutes a significant new factor relating to the information contained in the Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant series of Securities, may be contained in a Drawdown Prospectus.

For a Tranche of Securities which is the subject of the Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Prospectus and must be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Securities which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the applicable Final Terms.

The terms and conditions applicable to any particular Tranche of Securities which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be a single document containing the necessary information relating to the Issuer and the relevant Securities.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Bank may from time to time issue Securities denominated or payable in any currency agreed by the Bank and the relevant Dealer(s) having such maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency). The Bank may issue Securities (i) in the case of Notes, that bear interest at fixed rates or floating rates or that do not bear interest, (ii) in the case of Certificates, that pay additional amounts at fixed or floating rates or that pay no additional amounts, (iii) with principal premium, interest or other amounts (as applicable) are linked to the level of one or more indices, currencies, equities, debt securities, commodities, funds, or the credit of one or more specified entities or any combination thereof, or to an index, portfolio or formula based on any combination thereof, and (iv) the terms of which permit the Bank to pay and/or discharge its obligations with respect to such Securities by the payment or delivery of cash, shares, securities and/or other property or any combination of cash, shares, securities and/or other property. A summary of the terms and conditions of the Programme and the Securities appears on pages 1 to 12.

The applicable terms of any Securities will be agreed between the Bank and the relevant Dealer(s) prior to the issue of the Securities and will be set out in the Terms and Conditions of the Securities endorsed on, or annexed to, the Securities, as supplemented by the applicable Final Terms attached to, or endorsed on, such Securities, as more fully described under “Terms and Conditions of the Notes” and “Terms and Conditions of the Certificates”, as the case may be.

The Base Prospectus and any Supplement thereto will only be valid for the issue of Securities in an aggregate principal amount which, when added to the aggregate principal amount then outstanding of all Securities previously or simultaneously issued under this Programme, does not exceed U.S.\$40,000,000,000 (or its equivalent in any other currency as at the date of the issue of the Securities). For the purposes of calculating the U.S. dollar equivalent of the aggregate principal amount of Securities issued under the Programme from time to time:

- (a) the U.S. dollar equivalent of Securities denominated in another Specified Currency or payable in another Settlement Currency (as applicable) will be determined as of the date of agreement to issue such Securities on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency or Settlement Currency (as applicable) in the London foreign exchange market quoted by the Issuing and Paying Agent on such date or such other rate as the Issuer and the relevant Dealer may agree;
- (b) the U.S. dollar equivalent of Dual Currency Notes and Reference Item Linked Notes will be calculated in the manner specified above by reference to the original principal amount of such Notes;
- (c) the principal amount of Zero Coupon Notes and other Notes issued at a discount or a premium will be deemed to be the net proceeds received by the Bank for the relevant issue of Notes;
- (d) the principal amount of Certificates will be deemed to be the net proceeds received by the Bank for the relevant issue of such Certificates; and
- (e) the face principal amount of Partly-Paid Notes will be taken into account regardless of the amount of the subscription price paid.

FORM OF THE SECURITIES

Notes

The Notes of each Series will be in either bearer form, with or without receipts, interest coupons and/or talons attached, or registered form, without receipts, interest coupons and/or talons attached. Bearer Notes will only be issued outside the United States.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary global Note without receipts or interest coupons attached (a “**Temporary Global Note**”) or, if so specified in the applicable Final Terms, a permanent global Note without receipts or interest coupons attached (a “**Permanent Global Note**”) and, together with the Temporary Global Notes, the “**Bearer Global Notes**” and each a “**Bearer Global Note**”) which, in either case, will:

- (a) if the Bearer Global Notes 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 safe-keeper (the “**Common Safe-keeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”); and
- (b) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg.

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

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for: (i) interests in a Permanent Global Note of the same Series; or (ii) for Definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the applicable Final Terms) Registered Notes in definitive form (as indicated in the applicable Final Terms and subject, in the case of Notes in definitive form, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-US beneficial ownership as described above, or, in the case of Subordinated Notes or if specified in the applicable Final Terms, certification of non-Canadian beneficial ownership, unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amounts due, or specified assets deliverable, on or after the Exchange Date unless,

upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Notes in definitive form is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Notes of the same Series with, where applicable, receipts, interest coupons and talons attached and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the applicable Final Terms) Registered Notes in definitive form (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Notes and/or Registered Notes in definitive form is required, deposit the relevant Permanent Global Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

Bearer Global Notes and Definitive Notes will be issued pursuant to the Issue and Paying Agency Agreement (as defined in the Terms and Conditions of the Notes).

The following legend will appear on all Bearer Notes which have an original maturity of more than one year and on all receipts and interest coupons relating to such Bearer Notes:

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

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

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

Registered Notes

Registered Notes will be issued in the form of a global Registered Note (a “**Global Registered Note**”) deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Global Registered Notes will be entitled or

required, as the case may be, under the circumstances described below, to receive physical delivery of Registered Notes in definitive form.

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

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

Interests in a Global Registered Note will be exchangeable (free of charge), in whole but not in part, for Registered Notes in definitive form without receipts, interest coupons or talons attached (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Global Registered Note upon such Holder's request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Registered Notes in definitive form is required, deposit the relevant Global Registered Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

Direct Rights

As noted above, Notes in global form are, in certain circumstances, exchangeable for Notes in definitive form. In the event that (a) a global Note has become due and payable as a result of acceleration as described under "Terms and Conditions of the Notes – Events of Default" or that the Maturity Date in respect thereof has occurred and, in either case, payment in full of the amount due is not made before 8:00 p.m. (London time) on the relevant due date or (b) a global Note is not duly exchanged by 6:00 p.m. (London time) on the thirtieth day after the time at which the preconditions to such exchange are first satisfied, the owner of a beneficial interest in such global Note shall become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system, as specified in the relevant global Note or, in the case of Deposit Notes governed by English law, the Deed of Covenant, a copy of which is available at the specified office of the Issuing and Paying Agent.

Certificates

Each tranche of Certificates will be initially issued in the form of a temporary global Certificate (a "**Temporary Global Certificate**") or, if so specified in the applicable Final Terms, a permanent global Certificate (a "**Permanent Global Certificate**") and, together with the Temporary Global Certificate, the "**Global Certificates**" and each a "**Global Certificate**")

which, in either case, will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. No Certificates in definitive form will be issued.

Each Holder of Certificates is entitled to proceed directly against the Issuer as specified in the Global Certificate or, in the case of Certificates governed by English law, the Deed of Covenant, a copy of which is available at the specified office of the Issuing and Paying Agent.

While any Certificate is represented by a Temporary Global Certificate, payments of any amount payable, or specified assets deliverable, in respect of the Certificates due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Certificate) only to the extent that certification to the effect that the beneficial owners of interests in such Certificate are not U.S. persons for U.S. federal income tax purposes or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global Certificate is issued, interests in such Temporary Global Certificate will be exchangeable (free of charge) for interests in a Permanent Global Certificate of the same Series, against certification of non-US beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Certificate will not be entitled to collect any payment of amounts, or specified assets deliverable, due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Certificate for an interest in a Permanent Global Certificate is improperly withheld or refused.

Payments of any amounts on a Permanent Global Certificate will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification.

Global Certificates will be issued pursuant to the Issue and Paying Agency Agreement.

The following legend will appear on all Global Certificates (which have an original maturity of more than one year):

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Certificates and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payments or deliveries in respect of such Certificates.

General

Pursuant to the Issue and Paying Agency Agreement, the Issuing and Paying Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities, the Securities of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to

Securities of any other Tranche of the same Series until at least the expiry of 40 days after the Issue Date.

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

TERMS AND CONDITIONS OF THE NOTES

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

The Notes are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated July 18, 2011 (as further amended, supplemented, restated or replaced, the “**Issue and Paying Agency Agreement**”) and made between Royal Bank of Canada (the “**Issuer**”), Royal Bank of Canada, London branch, in its capacities as issuing and principal paying agent and principal certificate agent (the “**Issuing and Paying Agent**”, which expression shall include any successor to Royal Bank of Canada, London branch in its capacity as such) and as registrar (the “**Registrar**”, which expression shall include any successor to Royal Bank of Canada, London branch in its capacity as such and any additional registrars appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The expression “**Paying Agents**” as used herein shall include the Issuing and Paying Agent and any additional paying agents appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The holders of Deposit Notes governed by English law and the relevant Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated July 15, 2009 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below). Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the relevant Notes.

The Notes are issued in series (each, a “**Series**”), and each Series may comprise one or more tranches (“**Tranches**” and each, a “**Tranche**”) of Notes. Each Tranche will be the subject of Final Terms (each, “**Final Terms**”), a copy of which, subject as provided below, will be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and/or, as the case may be, the applicable Registrar and each other Paying Agent. In the case of a Tranche of Notes that is not offered to the public nor admitted to trading on a regulated market in any Member State of the European Union, Iceland, Norway or Liechtenstein (together, the “**European Economic Area**”) in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure nor admitted to trading on the Professional Securities Market, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Account Holder (each as defined herein) in respect of, such Notes.

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

- (a) in relation to any Notes represented by a global Note (a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Note issued on exchange for a global Note.

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

References in these Conditions to the Final Terms are to Part A of the Final Terms(s) prepared in relation to the Notes of the relevant Tranche or Series.

The applicable Final Terms for the Notes supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent that is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Notes.

1. Form and Denomination

1.01 Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), as specified in the Final Terms and are serially numbered. Registered Notes will not be exchangeable for Bearer Notes.

The Note is a Deposit Note or a Subordinated Note, as indicated in the applicable Final Terms. This Note may be a Note bearing interest on a fixed rate basis (“**Fixed Rate Note**”), a Note bearing interest on a floating rate basis (“**Floating Rate Note**”), a Note issued on a non-interest bearing basis (“**Zero Coupon Note**”), a Note with respect to which interest is calculated by reference to an index or a basket of indices (“**Index Linked Interest Note**”), a Note with respect to which principal is calculated by reference to an index or basket of indices (“**Index Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to currencies or a basket of currencies (a “**Currency Linked Interest Note**”), a Note with respect to which principal is calculated by reference to currencies or a basket of currencies (a “**Currency Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to a single fund or a basket of funds (a “**Fund Linked Interest Note**”), a Note with respect to which principal is calculated by reference to a single fund or a basket of funds (a “**Fund Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to the level of a commodity or commodity index or a basket of commodities or commodity indices (“**Commodity Linked Interest Note**”), a Note with respect to which principal is calculated by reference to the level of a commodity or commodity index or a basket of commodities or commodity indices (“**Commodity Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to a single equity security or a basket of equity securities (an “**Equity Linked Interest Note**”), a Note with respect to which principal is calculated by reference to a single equity security or a basket of equity securities (an “**Equity Linked Redemption Note**”), a Note redeemable in instalments (“**Instalment Note**”), a Note to which principal is subject to the occurrence of a credit event on a specified reference entity(ies) and satisfaction of conditions to settlement is linked to the credit of a

specified entity or entities (“**Credit Linked Notes**”), a Note with respect to which principal and/or interest is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (“**Dual Currency Note**”), a Note which is issued on a partly paid basis (“**Partly Paid Note**”), a variable rate Note whose coupon and value increases as a benchmark interest rate declines (“**Inverse Floating Rate Note**”), a Fixed/Floating Rate Note, or a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Final Terms. In these Conditions, any item noted above by reference to which the principal or interest of a Note is calculated shall be referred to as a “**Reference Item**”. Any Reference Item linked Notes, shall be referred to as “**Reference Item Linked Notes**”.

Bearer Notes

1.02 The Final Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) or U.S. Treasury Regulation § 1.163- 5(c)(2)(i)(C) (the “**TEFRA C Rules**”) shall apply. Each Tranche of Bearer Notes with an original maturity of more than one year is represented upon issue by a temporary global Note (a “**Temporary Global Note**”), unless the Final Terms specify otherwise, in particular, when the TEFRA C Rules apply.

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

Interests in the Temporary Global Note may be exchanged for:

- (i) interests in a Permanent Global Note; or
- (ii) if so specified in the Final Terms, definitive Bearer Notes (“**Definitive Notes**”) and/or (in the case of a Series comprising both Bearer Notes and Registered Notes and if so specified in the Final Terms) Registered Notes.

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

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

by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

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

1.05 Interests in a Permanent Global Note will be exchanged by the Issuer in whole but not in part only at the option of the Holder of such Permanent Global Note, for Definitive Notes and/or (in the case of a Series comprising both Bearer and Registered Notes and if so specified in the applicable Final Terms) Registered Notes, (a) if an Event of Default occurs in respect of any Note of the relevant Series; or (b) if either Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of fourteen days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so and the Issuer is unable to locate a qualified successor within 90 days of the occurrence of any such event; or (c) if so specified in the applicable Final Terms, at the option of the Holder of such Permanent Global Note upon such Holder’s request, in all cases at the cost and expense of the Issuer. In order to exercise the option contained in paragraph (c) of the preceding sentence, the Holder must, not less than forty-five days before the date upon which the delivery of such Definitive Notes and/or Registered Notes is required, deposit the relevant Permanent Global Note with the Issuing and Paying Agent at its specified office with the form of exchange notice endorsed thereon duly completed.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (a “**Relevant Account Holder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than, save as specifically otherwise provided in the relevant Global Note or the Deed of Covenant, as the case may be, with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Temporary Global Note and/or Permanent Global Note or registered holder of a Global Note shall be treated by the Issuer, the Issuing

and Paying Agent and any Paying Agent and any Registrar as the holder of such principal amount of such Notes in accordance with and subject to the terms of the Global Note and/or the Deed of Covenant, as the case may be, and the expression “**Holder**” and related expressions shall be construed accordingly. Similar rights as those made available to Relevant Account Holders in the preceding sentence may be made available to Relevant Account Holders in other relevant clearing systems as more fully provided in the Final Terms. Notes which are represented by a Global Note will be transferable only in accordance with the then current rules and procedures of Euroclear or of Clearstream, Luxembourg or any other relevant clearing system, as the case may be.

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

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

Denomination

Denomination of Bearer Notes

1.08 Bearer Notes are in the Specified Denomination(s) specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, Bearer Notes of one denomination may not be exchanged for Bearer Notes of any other denomination.

Denomination of Registered Notes

1.09 Registered Notes are in the Specified Denominations specified in the applicable Final Terms.

Currency of Notes

1.10 The Notes are denominated in such currency as may be specified in the applicable Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Partly Paid Notes

1.11 Deposit Notes may be issued on a partly paid basis (“**Partly Paid Notes**”) if so specified in the Final Terms. The Issue Price therefor shall be paid in such number of instalments, in such amounts, on such dates and in such manner as may be specified in the applicable Final Terms. The first such instalment shall be due and payable on the Issue Date. For the purposes of these Conditions, in respect of any Partly Paid Note, “**Paid Up Amount**”

means the aggregate amount of all instalments in respect of the Issue Price as shall have fallen due and been paid up in full in accordance with these Conditions.

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

Interest shall accrue on any amount which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of Zero Coupon Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Notes for the period from and including the due date for payment of the relevant amount up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any amount made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5.11).

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

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

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

Temporary Global Note or a Permanent Global Note may be exchanged for Definitive Notes or Registered Notes.

2. Title and Transfer

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

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

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

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

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

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

2.06 Each new Registered Note to be issued upon the registration of the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer, be mailed (by uninsured post

at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Issuing and Paying Agent after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Issuing and Paying Agent until the day following the due date for such payment.

For the purposes of these Conditions:

- (i) “**Relevant Banking Day**” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place where the specified office of the Registrar is located and, in the case only of an exchange of a Bearer Note for a Registered Note where such request for exchange is made to the Issuing and Paying Agent, in the place where the specified office of the Issuing and Paying Agent is located;
- (ii) the “**exchange date**” shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 2.05; and
- (iii) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.04.

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

Minimum Trading Size

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

3. Status of the Notes

Status – Unsubordinated Notes

3.01 This Condition 3.01 is applicable in relation to Notes specified in the applicable Final Terms as being Deposit Notes. The Deposit Notes constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada), constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least

pari passu with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law).

Status – Subordinated Notes

3.02 This Condition 3.02 is applicable in relation to Notes specified in the applicable Final Terms as being Subordinated Notes. The Subordinated Notes will evidence subordinated indebtedness of the Issuer for purposes of the *Bank Act* (Canada). The Subordinated Notes constitute legal, valid and binding direct, subordinated and unsecured obligations of the Issuer enforceable in accordance with their terms and rank *pari passu* with all other present and future subordinated indebtedness of the Issuer other than subordinated indebtedness having a priority to the Subordinated Notes by virtue of any law now or hereafter in force. The subordinated indebtedness evidenced by the Subordinated Notes will, in the event of the insolvency or winding-up of the Issuer, be subordinate in right of payment to all deposit liabilities of the Issuer and all other liabilities of the Issuer except those which by their terms rank equally with or are subordinate to such subordinated indebtedness and except as otherwise prescribed by law.

4. Covenant

The Issuer will not create, incur or permit the existence of indebtedness which, in the event of insolvency or winding-up of the Issuer, will rank subordinate to deposit liabilities and in priority to Subordinated Notes.

5. Interest

Interest

5.01 Notes may be interest-bearing or non interest-bearing. The Interest Basis is specified in the applicable Final Terms. Words and expressions appearing in this Condition 5 and not otherwise defined herein or in the applicable Final Terms shall have the meanings given to them in Condition 5.11.

Interest on Fixed Rate Notes

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

Unless otherwise provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on, but excluding, such date will amount to the Fixed Coupon Amount. Payments of Interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount(s) so specified.

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

Interest will be calculated on the Calculation Amount of the Fixed Rate Notes. If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

5.03 Interest on Floating Rate Notes, Commodity Linked Interest Notes, Currency Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes and Equity Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note, Commodity Linked Interest Note, Currency Linked Interest Note, Fund Linked Interest Note and Equity Linked Interest Note bears interest on its Outstanding Principal Amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “**Interest Payment Date**”) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Interest Period(s) 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 or the Interest Period(s) specified in the applicable Final Terms). Interest will be calculated on the Calculation Amount of the Floating Rate Notes, Index Linked Interest Notes, Commodity Linked Interest Notes, Currency Linked Interest Notes, Fund Linked Interest Notes and Equity Linked Interest Notes.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Index Linked Interest Notes, Commodity Linked Interest Notes, Currency Linked Interest Notes, Fund Linked Interest Notes and Equity Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) Screen Rate Determination

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

- (i) the Rate of Interest for each Interest Period will, subject as provided below, be either:
 - (1) the offered quotation, or

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

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

- (ii) if, on any Interest Determination Date, no such Reference Rate so appears or, as the case may be, if fewer than two offered quotations so appear or if the Relevant Screen Page is unavailable or if the offered rate or rates which appear as at the Relevant Time do not apply to a period or duration equal to the Interest Period, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Financial Centre as selected by the Calculation Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

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

ISDA Rate Determination

5.04 Where ISDA Determination is specified in the 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 purposes of this Condition 5.04, “**ISDA Rate**” for an Interest Period means a rate equal to the Fixed Rates, Fixed Amounts, Fixed Prices, Floating Rates, Floating Amounts or Floating Prices, as the case may be, or as otherwise specified in the applicable Final Terms, as would have applied (regardless of any event of default or termination event or tax event thereunder) if the Issuer had entered into an interest rate swap transaction with the Holder of such Note under the terms of an agreement to which the ISDA Definitions applied and under which:

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms;
- the Designated Maturity is the period specified in the applicable Final Terms;
- the Issuing and Paying Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is either (i) 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**”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms;
- the Calculation Amount is the principal amount of such Note;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the applicable Final Terms.

For the purposes of this Condition 5.04 “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Maximum or Minimum Rate of Interest

5.05 If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the applicable Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

5.06 Subject to Condition 18.14, interest on a Note will cease to accrue from the due date for its redemption (or, in the case of an Instalment Note, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the applicable Final Terms if permitted by applicable law (“**Default Rate**”) until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.07 If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Issuing and Paying Agent, the Registrar (in the case of Registered Notes), the Issuer, the Holders in accordance with Condition 23 and, if the Notes are listed on a stock exchange or admitted to listing by any other authority and the rules of such exchange or other relevant authority so require, such exchange or listing authority as soon as possible after their determination or calculation but in no event later than the fourth London Banking Day thereafter or, if earlier in the case of notification to the stock exchange or other relevant authority, the time required by the relevant stock exchange or listing authority. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or

appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 16, the Rate of Interest and any accrued interest payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest or proven error) be final and binding upon the Issuer and the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

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

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

Calculations and Adjustments

5.08 The amount of interest payable in respect of any Note for any period shall be calculated by applying the Rate of Interest to the Calculation Amount, and, in each case, multiplying such sum by the Day Count Fraction, save that (i) if the Final Terms specifies a specific amount, or a formula for the calculation of an amount, in respect of such period, the amount of interest payable in respect of such Note for such Interest Period will be equal to such amount and (ii) in the case of Fixed Rate Notes, the interest shall be calculated on such basis as may be specified in the applicable Final Terms.

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

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

Interest on Dual Currency Notes

5.09 In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

Interest on Partly Paid Notes

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

Definitions

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

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

“Business Day” means:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
- (ii) either (A) in relation to Notes payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) and settle payments in the principal financial centre of the country of the relevant Specified Currency specified in the applicable Final Terms or (B) in relation to Notes payable in euro, a day (other than a Saturday or Sunday) which is a TARGET Business Day (as defined below); and
- (iii) a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Business Centre(s) specified in the applicable Final Terms.

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

- (A) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (B) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that such date shall be postponed to the first

following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (C) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (D) **“FRN Convention”** or **“Eurodollar Convention”** means that each such date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the Final Terms after the calendar month in which the preceding such date occurred, provided that:
 - (1) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (2) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (3) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

“Calculation Agent” means such agent as may be specified in the Final Terms as the Calculation Agent.

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

- (a) if **“Actual/Actual”** or **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Accrual Period divided by 365 (or, if any portion of the Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365);
- (b) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Accrual Period divided by 365;
- (c) if **“Actual/360”** is so specified, means the actual number of days in the Accrual Period divided by 360;
- (d) if **“30E/360”** or **“Eurobond Basis”** is so specified, means the number of days in the Accrual Period divided by 360, calculated on a formula basis as follows:

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

where,

“**Y₁**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

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

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

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

where,

“**Y₁**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

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

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

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

where,

“**Y₁**” is the year, expressed as a number, in which the first day of the Accrual Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included the Accrual Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Accrual Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Accrual Period falls;

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

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

- (g) if “**Actual/Actual (ICMA)**” is so specified:

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

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

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

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

where:

“Determination Date” means such dates as specified in the applicable Final Terms; and

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

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

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

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

“Interest Determination Date” means, in respect of any Interest Period, the date specified in the applicable Final Terms, or if none is specified:

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

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

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

“ISDA Definitions” means the 2006 ISDA Definitions (as amended, supplemented and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

“Minimum Trading Size” has the meaning ascribed to it in the applicable Final Terms.

“Outstanding Principal Amount” means, in respect of a Note, its principal amount less, in respect of any Instalment Note, any principal amount on which interest shall have ceased to accrue in accordance with Condition 5.06 or, in the case of a Partly Paid Note, the Paid Up Amount of such Note or otherwise as indicated in the applicable Final Terms.

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Notes specified in, or calculated or determined in accordance with the provisions of, the applicable Final Terms.

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

“Relevant Time” means the time as of which any rate is to be determined as specified in the Final Terms (which in the case of LIBOR means London time or in the case of EURIBOR means Central European Time) or, if none is specified, at which it is customary to determine such rate.

“Reuters Screen” means, when used in connection with a designated page and any designated information, the display page so designated on the Reuters Market 3000 (or such other page as may replace that page on that service for the purpose of displaying such information).

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

Zero-Coupon Notes

5.12 If any Final Redemption Amount in respect of any Zero Coupon Note is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Accrual Yield defined in, or determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier, the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder). The amount of any such interest shall be calculated in accordance with the provisions of Condition 5.08 as if the Rate of Interest was the Accrual Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.11).

6. Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled each Note (unless otherwise specified in the applicable Final Terms or the Conditions relating to Reference Item Linked Notes) shall be redeemed at its Final Redemption Amount specified in or determined in the manner specified in the applicable Final Terms in the Specified Currency on the Maturity Date.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Notes (provided that in the case of Subordinated Notes the prior consent of the Superintendent of Financial Institutions (Canada) is obtained) (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of Notes issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the Issue Date of such Notes or any other date specified in the applicable Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 17, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes or other Reference Item Linked Notes, on an Interest Payment Date) to the Holders of the Notes in accordance with Condition 23 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amount or, in the case of Zero Coupon Notes, their Amortised Face Amount (as defined in Condition 6.12) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes or other Reference Item Linked Notes a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.06.

Call Option

6.03 If Call Option is specified in the applicable Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Condition 23, which notice shall be irrevocable and shall specify the date fixed for redemption, and subject to such conditions as may be specified in the applicable Final Terms, redeem all or

some only of the Notes of this Series outstanding on any Optional Redemption Date at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the applicable Final Terms together with accrued interest (if any) thereon on the date specified in such notice. At the date hereof, Subordinated Notes may be redeemed at the option of the Issuer only with the prior approval of the Superintendent of Financial Institutions (Canada).

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6.06.

6.04 The appropriate notice referred to in Condition 6.03 is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 23, which notice shall be irrevocable and shall specify:

- the Series of Notes subject to redemption;
- whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note or Permanent Global Note) the serial numbers of the Notes of the relevant Series which are to be redeemed;
- the due date for such redemption, which shall be not less than 30 days nor more than 60 days (or such other notice period as may be specified in the applicable Final Terms) after the date on which such notice is given and which shall be such date or the next of such dates (“**Call Option Date(s)**”) or a day falling within such period (“**Call Option Period**”), as may be specified in the applicable Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
- the Optional Redemption Amount at which such Notes are to be redeemed.

Partial Redemption

6.05 If the Notes are to be redeemed in part only on any date in accordance with Condition 6.03:

- such redemption must be for an amount not less than the Minimum Redemption Amount nor more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms;
- in the case of a partial redemption of Definitive Notes, the Notes to be redeemed shall be drawn by lot in such European city as the Issuing and Paying Agent may specify, or identified in such other manner or in such other place as the Issuing and Paying Agent may approve and deem appropriate and fair;
- in the case of a Global Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg or such other relevant clearing

system as either a pool factor or a reduction in principal amount, at their discretion); and

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

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

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.07, which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

Put Option

6.06 If Put Option is specified in the applicable Final Terms as being applicable, upon the Holder of any Note of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Note subject to and in accordance with the terms specified in the applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date (or such other notice period as may be specified in the applicable Final Terms) deposit the relevant Note (together, in the case of a Definitive Note that is not a Zero Coupon Note, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the Optional Redemption Date (failing which the provisions of Condition 18.06 apply)) during normal business hours at the specified office of, in the case of a Bearer Note, any Paying Agent or, in the case of a Registered Note, the Registrar together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any Paying Agent or, as the case may be, the Registrar specifying, in the case of a Global Note or Registered Note, the aggregate principal amount in respect of which such option is exercised (which must be the minimum Specified Denomination specified in the applicable Final Terms or an integral multiple thereof). Notwithstanding the foregoing, Notes represented by a Global Note or Registered Note shall be deemed to be deposited with a Paying Agent or the Registrar, as the case may be, for purposes of this Condition 6.06 at the time a Put Notice has been received by the Paying Agent or Registrar, as the case may be, in respect of such Notes. No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement).

In the case of the redemption of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Conditions 2.04 to 2.08 which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

The Holder of a Note may not exercise such Put Option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 6.02 or 6.03.

Redemption for Illegality

6.07 In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or any arrangement made to hedge the Issuer's obligations under the Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than ten (10) nor more than 30 days' notice to Holders in accordance with Condition 23 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Trigger Early Redemption

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

Purchase of Notes

6.09 The Issuer or any of its subsidiaries may (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from the Superintendent of Financial Institutions (Canada)) at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of the relevant Notes alike.

Cancellation of Redeemed and Purchased Notes

6.10 All unmatured Notes and Coupons redeemed in accordance with this Condition 6 will be cancelled forthwith and may not be reissued or resold. All unmatured Notes and Coupons purchased in accordance with Condition 6.09 may be cancelled or may be reissued or resold.

Further Provisions applicable to Redemption Amount and Instalment Amounts

6.11 The provisions of Condition 5.07 and the second paragraph of Condition 5.08 shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the applicable Final Terms to be made by the Calculation Agent.

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

6.12 The Redemption Amount payable in respect of any Zero Coupon Note shall be the Amortised Face Amount of such Note. The “**Amortised Face Amount**” shall be an amount equal to the sum of:

- (i) the Reference Price specified in the applicable Final Terms; and
- (ii) the product of the Accrual Yield (compounded annually or otherwise as specified in the applicable Final Terms) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a full year, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 5.11) specified in the applicable Final Terms.

6.13 If any Redemption Amount (other than the Final Redemption Amount) of any Zero Coupon Note is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 6.12 but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Zero Coupon Note becomes due and repayable were replaced by references to the date (the “**Reference Date**”) which is the earlier of:

- (i) the date on which, upon due presentation or surrender of the relevant Note (if required), all amounts due have been paid; and
- (ii) the seventh day after the date on which, the Issuing and Paying Agent or, as the case may be, the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 23 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder). The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgement, unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the scheduled Final Redemption Amount of the Note on the Maturity Date together with interest which may accrue in accordance with Condition 5.06.

Instalment Notes

6.14 Any Instalment Note will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms.

Other Redemption and Purchase Provisions

6.15 Notwithstanding the foregoing:

- (i) the relevant provisions relating to the redemption and purchase of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other

property or any combination of cash, securities and/or other property and that amend and/or supplement Condition 10 shall be set forth in the applicable Final Terms; and

- (ii) any additional redemption events which shall enable the Issuer to redeem the Notes of any Series shall be set forth in the applicable Final Terms.

7. Credit Linked Redemption Notes

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

8. Index Linked Notes

If the Notes are specified as Index Linked Interest Notes and/or Index Linked Redemption Amount Notes in the applicable Final Terms, then the provisions of this Condition 8 shall apply.

8.01 Redemption of Index Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each principal amount of the Index Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

8.02 Adjustments to an Index and Additional Disruption Events

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

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

- (ii) Modification and Cessation of Calculation of an Index

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

- (A) require the Calculation Agent in its sole and absolute discretion to determine if such Index Adjustment Event has a material effect on the Notes and, if so, to

calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date, Observation Date or Averaging Date or such other date as specified in the applicable Final Terms, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or

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

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

(iii) Additional Disruption Events

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

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

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

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

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

(iv) Correction to an Index

In the event that any price or level published by the relevant Index Sponsor or Successor Index Sponsor which is utilised for any calculation or determination made for the purposes of the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor or Successor Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related

Exchange would customarily settle according to the rules of such Related Exchange, or if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the relevant Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

8.03 Definitions applicable to Index Linked Notes

“Additional Disruption Event” means Change in Law, Hedging Disruption, Increased Cost of Hedging, or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

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

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

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Level. If through operation of this provision no Averaging Date would occur, then for the purposes of determining the Reference Level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms, then for purposes of determining the Reference Level, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Level for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the Notes relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall

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

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

“**Basket of Indices**” means a basket comprising two or more indices specified in the applicable Final Terms in the relevant Weightings as 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 sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

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

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

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

“Final Redemption Amount” means the Final Redemption Amount specified in the applicable Final Terms or, if no such amount is specified in the applicable Final Terms, an amount equal to:

- (i) in the case of an Index Linked Note in respect of which Call Option is specified as applicable in the applicable Final Terms (**“Call Index Linked Redemption Note”**):

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

- (ii) in the case of an Index Linked Note in respect of which Put Option is specified as applicable in the applicable Final Terms (**“Put Index Linked Redemption Note”**):

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

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded as provided in Condition 5.08.

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

“Hedging Entity” means (a) if not specified in the applicable Final Terms, the Issuer, or (b) any Affiliates or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Index in respect of the Issuer’s obligations under the Notes.

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

“**Index**” and “**Indices**” mean, subject to adjustment in accordance with Condition 8.02, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

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

“**Index Substitution Criteria**” means the criteria specified as such in the applicable Final Terms.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As used above:

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

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

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

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

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

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

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

- (i) where the Notes relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 9.05 in relation to the share) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith

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

- (ii) where the Notes relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be that Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level by using the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 9.05 in relation to such share) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

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

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

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

“**Reference Level**” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the Index as calculated and published by the Index Sponsor or Successor Index Sponsor on the relevant date (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant

date) or as otherwise determined by the Calculation Agent subject as provided in this Condition 8; and

- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as published by the Index Sponsor or Successor Index Sponsor on the relevant date, (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent at such Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject as provided in this Condition 8, multiplied by the relevant Weighting specified in the applicable Final Terms.

“Related Exchange” means, subject to the proviso below, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable 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.

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

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

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

“Scheduled Trading Day” means:

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

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

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

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

- (i) where the Notes relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (A) the eighth Scheduled Trading Day for the Index shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 9.05 in relation to the share) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or
- (ii) where the Notes relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (A) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (and subject to Condition 8.02 (i), (ii) and (iv)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 9.05 in relation to the share) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“**Valuation Time**” means:

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

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

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

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

9. Equity Linked Notes

If the Notes are specified as Equity Linked Interest Notes and/or Equity Linked Redemption Amount Notes in the applicable Final Terms, the provision of this Condition 9 shall apply.

9.01 Redemption of Equity Linked Redemption Notes

Unless previously redeemed or purchased and cancelled, each principal amount of Equity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date (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 Entitlement specified in, or determined in the manner specified in, the applicable Final Terms (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 Entitlement on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

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

- (i) If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so, the Issuer in its sole and absolute discretion shall either:
 - (A) (1) require the Calculation Agent to make the corresponding adjustment, if any, to any one or more of the terms of these

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

- (B) after giving notice to the Holders in accordance with Condition 23, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (C) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Potential Adjustment Event, the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Potential Adjustment Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 9.02(i) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon making an adjustment pursuant to Condition 9.02(i)(A), the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23, stating the adjustment made to the terms of these Conditions and/or the applicable 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 such adjustment.

- (ii) If (x) De-listing, Merger Event, Nationalisation and/or Insolvency is specified as applicable in the applicable Final Terms and/or (y) Tender Offer is specified as applicable in the applicable Final Terms, and (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Equity, the Issuer in its sole and absolute discretion may:
 - (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or
 - (B) where the Equity Linked Notes relate to a Basket of Equities on giving notice to the Holders in accordance with Condition 23 redeem each Note in part. If a Note is so redeemed in part the portion (the “**Partial Amount**”) of each such Note representing the affected Equity(s) shall be redeemed and the Issuer will (x) pay to each Holder in respect of

each Note held by it an amount equal to the fair market value of the Partial Amount together with any accrued interest thereon, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (y) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the terms of the Conditions and/or the applicable Final Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each such Note after redemption and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 23; or

- (C) after giving notice to the Holders in accordance with Condition 23, redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (D) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Merger Date, Tender Offer Date, or the date of the Nationalisation, Insolvency or De-listing (as the case may be), the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Merger Event, Tender Offer, Nationalisation, Insolvency or De-listing and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the Notes, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

If the provisions of Condition 9.02(ii) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that failure to give, or non-receipt of, such notice will not affect the validity of such action.

- (iii) If Additional Disruption Events are specified as applicable in the applicable Final Terms, then if an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may:
 - (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the terms of these Conditions and/or the applicable Final

Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (B) give notice to the Holders in accordance with Condition 23 and redeem all, but not some only, of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount; or
- (C) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Additional Disruption Event, the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Additional Disruption Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equity, a “Equity Issuer” for the purposes of the Certificates, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

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

(iv) Non-Euro Quoted Equities

In respect of Equity Linked Redemption Notes relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended (“**euro**”), if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the terms of these Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 9.02(iv) will affect the currency denomination of any payment obligation arising out of the Notes.

(v) Correction of Prices or Levels of an Equity

In the event that any price or level of an Equity published by an Exchange which is utilised for any calculation or determination made for the purposes of the Notes is subsequently corrected, the corrected price or level is deemed to be the relevant price or level for such Equity, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which

a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the Specified Interest Payment Date to make such adjustment prior to the relevant date.

Partial Lookthrough Depositary Receipt Provisions

9.03 Where the applicable Final Terms specify that the “Partial Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 9.03 shall apply, and, in relation to such Equity, the other provisions of this Condition 9 shall be deemed to be amended and modified as set out in this Condition 9.03.

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

“Potential Adjustment Event” means any of the following:

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

- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; or
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

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

If the Calculation Agent determines that:

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

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

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

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

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

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

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

Replacement DRs selected by it in accordance with the DR Substitution Criteria and may make any appropriate adjustments to the terms of these Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities therein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.

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

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

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

For the avoidance of doubt, where a provision is amended pursuant to this Condition 9.03 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

Full Lookthrough Depositary Receipt Provisions

9.04 Where the applicable Final Terms specify that the “Full Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 9.04 shall apply, and, in relation to such Equity, the other provisions of this Condition 9 shall be deemed to be amended and modified as set out in this Condition 9.04.

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

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

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

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

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

If the Calculation Agent determines that:

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

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

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

all of the Notes upon prior notice made to the Holders, and the Issuer will cause to be paid to each Holder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

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

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

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

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

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

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

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

The definitions of “**Market Disruption Event**” and “**Related Exchange**” shall be amended in accordance with the DR Amendment. For the avoidance of doubt, where a provision is amended pursuant to this Condition 9.04 in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

9.05 Definitions applicable to Equity Linked Notes

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing, or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

“**Affiliate**” means any entity controlled directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer.

As used herein “**control**” means the ownership of a majority of the voting power of the entity and “**controlled by**” and “**controls**” shall be construed accordingly.

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

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the Notes relate to a Basket of Equities, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Valid Date in relation to such Affected Equity. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for such Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Equity and (ii) the Calculation Agent shall determine the Reference Price of the Affected Equity for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of “Valuation Date” below; and

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

“Basket of Equities” means a basket composed of the Equities specified in the applicable Final Terms in the relative Weightings or numbers of Equities 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 sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Equity or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

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

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

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

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

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

“DR Amendment” means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, De-listing, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Final Terms and Market Disruption Event, that the following changes shall be made to such definition or provision where provided for in Condition 9: (a) all references to “Equities” shall be deleted and replaced with the words “Equities and/or the Underlying Equities”; and (b) all references to “Equity Issuer” shall be deleted and replaced with the words “Equity Issuer or Underlying Equity Issuer, as appropriate”.

“DR Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

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

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

“**Equity Substitution Criteria**” means the criteria specified as such in the applicable Final Terms.

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

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

“**Final Redemption Amount**” means the Final Redemption Amount specified 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:

- (i) in the case of an Equity Linked Redemption Note in respect of which Call Option is specified as applicable in the applicable Final Terms (“**Call Equity Linked Redemption Note**”):

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

- (ii) in the case of an Equity Linked Redemption Note in respect of which Put Option is specified as applicable in the applicable Final Terms (“**Put Equity Linked Redemption Note**”):

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

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded as provided in Condition 5.08.

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

“**Hedging Entity**” means (a) if not specified in the applicable Final Terms, the Issuer, or (b) any Affiliates or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Equity in respect of the Issuer’s obligations under the Notes.

“**Increased Cost of Hedging**” means that the Hedging Entity would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

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

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

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

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

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

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

“Protection Amount” means, in respect of a Series to which a Protection Amount is specified as applicable in the applicable Final Terms, means that the Final Redemption Amount will, subject to the applicable Final Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the Calculation Amount of such Note. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon, among others, the occurrence of an Early Redemption for Taxation Reasons, any event specified in Condition 9.02 or an Event of Default.

“Reference Price” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Notes relate to a single Equity, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the price of the Equity as of the actual closing time of the Exchange on the relevant date (or the price of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 9. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the Notes relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day the Calculation Agent’s good faith estimate of the price of the Equity as of the actual closing time of the Exchange on the relevant date (or the price of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 9, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to an Equity, each exchange or quotation system specified as such in relation to such Equity in the applicable 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 Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where ‘All Exchanges’ is specified as the Related Exchange in the applicable 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 Equity.

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

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

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

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

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

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

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

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

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

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

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

- (i) where the Notes relate to a single Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the eighth Scheduled Trading Day for the Equity shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable, determine the Reference Price in

the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Equity as of the Valuation Time on that eighth Scheduled Trading Day; or

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

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

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

10. Physical Delivery

If Physical Delivery is specified as applicable in the applicable Final Terms, the provisions of this Condition 10 shall apply, as modified by the applicable Final Terms.

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

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

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

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

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

10.02 An Asset Transfer Notice must:

- (A) specify the name and address of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement if such delivery is to be made otherwise than in the manner specified in the applicable Final Terms;
- (B) in the case of Notes represented by a Global Note, specify the principal amount of Notes which are the subject of such notice and the number of the Holder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Holder's account with such Notes on or before the Delivery Date (as defined below);
- (C) include an undertaking to pay all Expenses (as defined below) and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;
- (D) specify an account to which dividends (if any) or any other cash amounts payable by the Issuer are to be paid, including without limitation, any cash amount constituting the Entitlement or any dividends relating to the Entitlement;
- (E) contain representations and warranties from the relevant Holder to the effect, *inter alia*, that, at the time of signing and delivery of the Delivery Notice, the Holder understands that the Entitlement(s) to be delivered have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), the Holder represents that it is located outside the United States within the meaning of Regulation S ("**Regulation S**") under the Securities Act and is acquiring the Entitlement(s) to be transferred upon exchange in or offshore transaction (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S and the Holder represents that neither it nor any person on whose behalf the Holder is holding the Notes is a US person within the meaning of Regulation S; and
- (F) authorise the production of such notice in any applicable administrative or legal proceedings.

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

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

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

Notes, by the relevant Paying Agent, after consultation with the Issuer and Issuing and Paying Agent, and shall be conclusive and binding on the Issuer and the relevant Holder.

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

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

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

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

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

After delivery of the Entitlement and for such period of time after the Delivery Date as any person other than the relevant Holder shall continue to be the legal owner of the securities or obligations comprising the Entitlement (the “**Intervening Period**”), none of the Issuer, the Calculation Agent, Issuing and Paying Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to

exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to the relevant Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being during such Intervening Period the legal owner of such securities or obligations.

Where the Entitlement is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Holders will receive an Entitlement comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Entitlements), and in respect of the amount of Relevant Assets not capable of being delivered the Holder will receive an amount in the Specified Currency ("**Cash Adjustment**") which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate) or otherwise in the manner specified in the applicable Final Terms. Payment will be made to the account specified by the Holder in the Asset Transfer Notice referred to in Condition 10.02 or otherwise in such manner as shall be notified to the Holders in accordance with Condition 23.

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

10.04 Settlement Disruption Event

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

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

For so long as delivery of the Entitlement in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election substantially in the form set out in the Issue and Paying Agency Agreement (the "**Election Notice**") is given to the Holders in accordance with Condition 23. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 23.

10.05 If "**Failure to Deliver due to Illiquidity**" is specified as applicable in the Final Terms and if, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when

due, some or all of the Relevant Assets comprising the Entitlement (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (A) subject as provided elsewhere in these Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered pro rata on the originally designated Delivery Date in accordance with this Condition 10; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Holder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Holders in accordance with Condition 23. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 23. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Holders in accordance with Condition 23 that the provisions of this Condition 10.05 apply.

Option to Vary Settlement

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

Definitions

10.07 For the purposes of this Condition 10:

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

“**Cut-Off Date**” has the meaning given to it in the applicable Final Terms.

“**Disruption Cash Settlement Price**” means, in respect of each principal amount of Notes equal to the Calculation Amount, an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note and paid pursuant to Conditions 5 and 18) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Hedging Entity of unwinding or adjusting any related hedging arrangements in respect of the Note, all as calculated by the Calculation Agent in its sole and absolute discretion.

“**Entitlement**” means the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which the Holder is entitled to receive on the Maturity Date following payment of the Expenses, as determined by the Calculation Agent, including any documents evidencing such Entitlement as set out in the applicable Final Terms.

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

“**Failure to Deliver Settlement Price**” means, in respect of each principal amount of the Notes equal to the Calculation Agent, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as

provided above, less the proportionate cost to the Hedging Entity of unwinding or adjusting any related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.

“**Relevant Assets**” means the assets specified as such in the applicable Final Terms.

“**Settlement Business Day**” has the meaning ascribed to it in the applicable Final Terms.

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

11. Fund Linked Notes

11.01 If the Notes are specified as Fund Linked Notes in the applicable Final Terms, the provisions of Condition 12 shall apply if the Funds are not ETFs (as defined in Condition 13.09) and the provisions of Condition 13 shall apply if the Funds are ETFs.

12. Provisions relating to Funds other than Exchange Traded Funds

Redemption of Fund Linked Redemption Notes

12.01 Unless previously redeemed or purchased and cancelled, each principal amount of the Fund Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

Consequences of Fund Events

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

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

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

“**Fund Hedging Disruption**” means that the Hedging Entity is unable, or it is impractical for the Hedging Entity, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to any Fund Interest of the Issuer issuing and performing its obligations with respect to the Fund Linked Notes, or (ii)

realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (x) any restrictions or increase in charges or fees imposed by a Fund on an investor's ability to redeem the related Fund Interest, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Interest, or (y) any mandatory redemption, in whole or in part, of a Fund Interest imposed by the related Fund (in each case other than any restriction in existence on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date).

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

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

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

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

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

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

(B) Insolvency: **"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding

affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;

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

the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;

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

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

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

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

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

- (a) delaying any calculation, determination or related payment date under the Notes until it determines that no Fund Event exists;
- (b) calculating the value of the relevant Fund Interest(s) and/or replacing the relevant Fund Interest(s) (the “**Affected Fund Interest**”) with one or more replacement fund interests (each a “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) on giving notice to the Holders in accordance with Condition 23, redeem all (but not some only) of the Notes, each principal amount of Notes equal to the Calculation Amount being redeemed at its Early Redemption Amount.

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

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

Fund Potential Adjustment Events

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

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

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

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

12.06 Definitions (Funds other than Exchange Traded Funds)

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

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

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

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

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

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

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

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

“Fund Redemption Valuation Date” means, in respect of a Fund Interest, the date as of which a Fund (or its Fund Service Provider that generally determines such

value) would determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date.

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

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

“Hedging Entity” means (a) if not specified in the applicable Final Terms, the Issuer, or (b) any Affiliates or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the price risk relating to any Fund Interest in respect of the Issuer’s obligations under the Notes.

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

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

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

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

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

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

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

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

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

“Valuation Date” means each Valuation Date specified in the applicable Final Terms.

“Valuation Time” means the time specified in the applicable Final Terms.

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

13. Provisions relating to Exchange Traded Funds

Market Disruption

13.01 Redemption of ETF Linked Notes

Unless previously redeemed or purchased and cancelled, each principal amount of ETF Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date (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 Entitlement specified in, or determined in the manner specified in, the applicable Final Terms (subject as provided below) on the Maturity Date 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 Entitlement on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

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

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) relating to the relevant Fund Share on such Exchange; or
 - (B) relating to securities that comprise 20 percent. or more of the level of the relevant Underlying Index or any relevant successor index; or
 - (C) in futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange, or

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

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

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

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

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

Potential Adjustment Event

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

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

- (iv) a call by the ETF in respect of relevant Fund Shares that are not fully paid;
- (v) a repurchase by the ETF or any of its subsidiaries of relevant Fund Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an ETF, an event that results in any shareholder rights being distributed or becoming separated from Fund Shares of common stock or other shares of the capital stock of the ETF pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Shares.

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

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

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

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

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

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (i) all the Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other

similar official or (ii) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

“Material Underlying Event” means any of the following:

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

as determined by the Calculation Agent.

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

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

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

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

governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

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

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

- (i) require the Calculation Agent, in its sole and absolute discretion, to determine the appropriate adjustment(s), if any, to be made to any one or more of the terms of the Conditions and/or the applicable Final Terms to account for the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, and determine the effective date(s) of that adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of the De-listing, Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event made by any options exchange to options on the relevant Fund Share traded on that options exchange; or
- (ii) redeem all (but not some only) of the Notes by giving notice to Holders in accordance with Condition 23, each principal amount of such Notes equal to the Calculation Amount being redeemed at the Early Redemption Amount.

Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation, Insolvency or Material Underlying Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23 stating the occurrence of the Merger Event, Tender Offer, Nationalisation, Insolvency or Material Underlying Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be.

13.07 Correction of the Reference Price

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

Additional Disruption Events

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

“Change in Law” means that, on or after the Trade Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax

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

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

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

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

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
 - (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of the Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (ii) redeem all (but not some only) of the Notes by giving notice to the Holders in accordance with Condition 23, each principal amount of Notes equal to the Calculation Amount being redeemed at its Early Redemption Amount.
- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 23, stating the occurrence of the Additional Disruption Event giving details thereof and the action

proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event.

13.09 Definitions (Exchange Traded Funds)

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

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

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes relate to a single Fund Share, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the Notes relate to a Basket of Fund Shares, the Averaging Date for each Fund Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Fund Share affected by the occurrence of a Disrupted Day (each an “**Affected Fund Share**”) shall be the first succeeding Valid Date in relation to such Affected Fund Share If the first succeeding Valid Date in relation to such Affected Fund Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the

occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Fund Share shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Fund Share and (ii) the Calculation Agent shall determine the Reference Price of the Affected Fund Share for that Averaging Date in accordance with sub paragraph (ii)(B) of the definition of "Valuation Date" below; and

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

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

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

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

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

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

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

"**Hedging Entity**" means (a) if not specified in the applicable Final Terms, the Issuer, or (b) any Affiliates or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to a Fund Share in respect of the Issuer's obligations under the Notes.

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

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

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

Scheduled Trading Day for such Fund Share shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

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

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

“**Reference Price**” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Notes relate to a single Fund Share, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent’s good faith estimate of the value of the Fund Share as of the actual closing time of the Exchange on the relevant date (or the value of the Fund Share at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)) or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 13. The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and
- (ii) where the Notes relate to a Basket of Fund Shares, an amount equal to the sum of the values calculated for each Fund Share as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Fund Share quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or

if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day the Calculation Agent's good faith estimate of the value of the Fund Share as of the actual closing time of the Exchange on the relevant date (or the value of the Fund Share at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), or as otherwise determined by the Calculation Agent subject to the provisions of this Condition 13, multiplied by the relevant Weighting. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

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

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

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

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

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

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

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

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

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

Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price of the Fund Share as of the Valuation Time on that eighth Scheduled Trading Day; or

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

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

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

14. Commodity Linked Notes

If the Notes are specified as Commodity Linked Interest Notes and/or Commodity Linked Redemption Notes in the applicable Final Terms, then the provisions of this Condition 14 shall apply.

14.01 *Redemption of Commodity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each principal amount of Commodity Linked Redemption Notes equal to the Calculation Amount set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms.

14.02 **Market Disruption Event and Disruption Fallback**

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

(a) **Market Disruption Event**

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

- (i) with respect to all Commodities:
 - (A) Price Source Disruption;
 - (B) Commodity Trading Disruption;
 - (C) Disappearance of Commodity Reference Price; and
 - (D) any additional Market Disruption Events specified in the applicable Final Terms; and
- (ii) with respect to all Commodities other than gold, silver or platinum:
 - (A) Material Change in Formula;
 - (B) Material Change in Content; and
 - (C) any additional Market Disruption Events specified in the applicable Final Terms; and
- (iii) with respect to a Commodity Index:
 - (A) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (x) the Commodity Reference Price (provided that the Calculation Agent may, in its sole and absolute discretion, determine that such failure shall not be a Market Disruption Event and (i) shall fall within paragraph (i) of the proviso to the definition of Price Source in Condition 14.07, or (ii) shall be an Index Adjustment Event in respect of such Commodity Index) or (y) the closing price for any futures contract included in the Commodity Index;
 - (B) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Index which results in a failure by the exchange on which each applicable futures contract is traded to report a closing price for such contract on the day on which such event occurs or any succeeding day on which it continues; or
 - (C) the closing price for any futures contract included in the Commodity Index is a "limit price", which means that the closing price for such

contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

(iv) Disruption Fallback

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

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

- I Fallback Reference Price (if applicable);
- II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days; and
- III. Calculation Agent Determination;

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

- (a) using:
 - (i) with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event, the closing prices of each such contract on the applicable determination date; and
 - (ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract; or
- (b) as specified in the applicable Final Terms.

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

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

14.03 Adjustments to a Commodity Index

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

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

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

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as “**Index Adjustment Events**”) (provided that the Calculation Agent may, in its sole and absolute discretion, determine that event (iii) shall not be an Index Adjustment Event but (y) shall fall within paragraph (i) of the proviso to the definition of Price Source specified in Condition 14.07, or (z) shall be a Market Disruption Event in respect of such Commodity Index) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

14.04 Correction to Published Prices

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

assets to be calculated by reference to such Relevant Price), the Calculation Agent may, in its sole discretion, use such corrected price in such calculation.

14.05 Common Pricing

If with respect to Commodity Linked Notes relating to a Basket of Commodities, "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 Securities as of the Issue Date; or
- (ii) "Not Applicable" then, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any relevant Commodity and/or Commodity Index (each an "**Affected Commodity**"), the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Price.

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

14.06 Commodity Reference Prices

Subject to this Condition 14, for purposes of determining the Relevant Price for a Commodity or Commodity Index:

Agricultural products:

(a) Cocoa

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

(b) Coffee

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

(c) Corn

"**CORN NO. 2 YELLOW-CBOT**" means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade corn on CBOT of the First

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

(d) Cotton

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

(e) Livestock

(i) “**LEAN HOGS-CME**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade lean value hog carcasses on CME of the First Nearby Month Lean Hogs Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Lean Hogs Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

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

(f) Soybeans

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

(g) Sugar

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

(h) Wheat

“**WHEAT-CBOT**” means that the price for a Pricing Date will be that day's settlement price per bushel of deliverable grade wheat on CBOT of the First Nearby Month

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

Oil and Energy

(a) Natural Gas (Henry Hub)

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

(b) Oil (WTI)

“**OIL-WTI-NYMEX**” means that the price for a Pricing Date will be that day's settlement price per barrel of deliverable grade West Texas Intermediate light sweet crude oil on NYMEX of the First Nearby Month WTI Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(c) Oil (Brent)

“**OIL-BRENT-IPE**” means that the price for a Pricing Date will be that day's settlement price per metric barrel of deliverable grade Brent blend crude oil on ICE of the First Nearby Month Brent Futures Contract stated in U.S. Dollars as made public by ICE and displayed on the relevant Price Source on that Pricing Date.

Precious Metals:

(d) Gold

“**GOLD-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on the relevant Price Source on that Pricing Date.

(e) Platinum

“**PLATINUM-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of LPPM authorized to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

(f) Silver

“**SILVER-FIX**” means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on the relevant Price Source on that Pricing Date.

Base Metals

(a) Aluminium

“**ALUMINIUM-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of High Grade Primary Aluminium on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(b) Copper

“**COPPER-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Copper Grade A on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(c) Lead

“**LEAD-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Standard Lead on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(d) Nickel

“**NICKEL-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Primary Nickel on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(e) Zinc

“**ZINC-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Special High Grade Zinc on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

14.07 Definitions

“**Basket of Commodities**” means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Final Terms.

“**Bloomberg Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Calculation Agent Determination**” means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

“**CBOT**” means the Chicago Board of Trade or its successor.

“**CME**” means the Chicago Mercantile Exchange or its successor.

“**COMEX**” means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“**Commodity**” and “**Commodities**” means subject to adjustment in accordance with these Conditions, in the case of an issue of Commodity Linked Notes relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked Notes relating to a single commodity, the commodity, in each case specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Commodity Business Day**” means, in respect of each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such relevant Exchange closing prior to its scheduled closing time.

“**Commodity Index**” means, subject to adjustment in accordance with these Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Final Terms.

“**Commodity Index Cut-Off Date**” means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) the date specified in the applicable Final Terms, or if not so specified, the day falling two Business Days immediately preceding the date of payment of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided in the applicable Final Terms).

“**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 closing price or level of such Commodity Index.

“**Commodity Trading Disruption**” means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

“**Delayed Publication or Announcement**” means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Final Terms will apply.

“**Delivery Date**” means the date specified in the applicable Final Terms.

“**Disappearance of Commodity Reference Price**” means:

- (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;

- (ii) the disappearance of, or of trading in, the Commodity; or
- (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

“Exchange” means, in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Final Terms or Commodity Reference Price.

“Fallback Reference Price” means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.

“First Notice Date” means, in respect of a Futures Contract, the first date after which a party to the contract may be required to deliver or take possession of, as applicable, the specified amount of the underlying commodity in respect of such Futures Contract as determined by the relevant Exchange.

“Futures Contract” means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

“Gold” means gold bars or unallocated gold complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“ICE” means the Intercontinental Exchange or its successor.

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

“LBMA” means The London Bullion Market Association or its successor.

“LME” means The London Metal Exchange Limited or its successor.

“London Gold Market” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Gold.

“London Silver Market” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver.

“LPPM” means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

“Material Change in Content” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

“Material Change in Formula” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

“MMBTU”, “MMBtu” and “mmbtu” each means one million British thermal units.

“Nearby Month” when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) **“First Nearby Month”** means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) **“Second Nearby Month”** means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

“NYBOT” means the New York Board of Trade or its successor.

“NYMEX” means NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“Palladium” means palladium ingots or plate or unallocated palladium complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Platinum” means platinum ingots or plate or unallocated platinum complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Postponement” means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of Disruption Fallback below will apply.

“Price Source” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Final Terms (provided that in respect of a Commodity Index, if the relevant Commodity Reference Price is not published on such Price Source, the Calculation Agent may, in its sole and absolute discretion, (i) use a successor page or publication or alternative source as it considers appropriate, (ii) determine that such non-publication is a Market Disruption Event in respect of such Commodity Index, or (iii) determine that such non-publication is an Index Adjustment Event in respect of the Commodity Index.

“Price Source Disruption” means:

- (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price); or
- (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

For these purposes:

- (a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:

- (i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing price, settlement price or afternoon fixing price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

“**Pricing Date**” has the meaning given it in the applicable Final Terms.

“**Relevant Price**” means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price or level of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Conditions and the applicable Final Terms.

“**Reuters**” means Reuters or its successor.

“**Reuters Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Silver**” means silver bars or unallocated silver complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“**Specified Price**” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable 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; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

15. Currency Linked Notes

If the Notes are specified as Currency Linked Interest Notes and/or Currency Linked Redemption Notes in the applicable Final Terms, then the provisions of this Condition 15 shall apply.

15.01 Definitions applicable to Currency Linked Notes

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms.

“Currency Price” means the Currency Price specified in the applicable Final Terms, or if not so specified in the applicable Final Terms:

- (i) in the case of Currency Linked Notes relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and
- (ii) in the case of Currency Linked Notes relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

“FX Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Final Terms.

“FX Disrupted Day” means any FX Business Day on which a FX Market Disruption Event occurs.

“FX Market Disruption Event” means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, any FX Trading Suspension or Limitation and/or any Inconvertibility Event, in each case if specified in the applicable Final Terms, and/or any other event specified as applicable in the applicable Final Terms.

“FX Price Source(s)” means, in respect of a Subject Currency, the price source(s) specified in the applicable Final Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

“FX Price Source Disruption” means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

“FX Trading Suspension or Limitation” means the suspension of and/or limitation of trading in the currencies required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

“Inconvertibility Event” means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Base Currency into the Subject Currency); and
- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

“Interbank Market” means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m. Sydney time on a Monday in any week to and including 5.00 p.m. New York time on the Friday of such week.

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

“Specified Financial Centre(s)” means the financial centre(s) specified in the applicable Final Terms.

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

“Valuation Cut-Off Date” means the Valuation Cut-Off Date specified in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or, if that is not FX Business Day, the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

- (i) where the Currency Linked Notes relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or
- (ii) where the Currency Linked Notes relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an **“Affected**

Subject Currency) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Subject Currency, a price 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 price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

“Valuation Time” means the Valuation Time specified in the applicable Final Terms.

“Weighting” means the weight of each of the Subject Currencies comprising the Basket of Subject Currencies as specified in the applicable Final Terms.

16. Events of Default

16.01 The following events or circumstances (each an **“Event of Default”**) shall be acceleration events in relation to the Notes of any Series, namely:

- (i) the Issuer fails to pay any Outstanding Principal Amount or deliver any Entitlement in respect of the Notes of the relevant Series or any of them on the due date for payment or delivery thereof or fails to pay any amount of interest in respect of the Notes of the relevant Series or any of them within 30 days of the due date of payment thereof; or
- (ii) if the Issuer shall have become insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed, or if the Superintendent of Financial Institutions (Canada) shall have taken control of the assets of the Issuer or of the Issuer itself,

provided however, that in the case of Subordinated Notes, notwithstanding any provision hereof to the contrary, the Outstanding Principal Amount of a Subordinated Note will not be paid and may not be required to be paid at any time prior to the relevant Maturity Date except in the event of the insolvency or winding-up of the Issuer.

16.02 If any Event of Default shall occur in relation to any Series of Notes, any Holder of a Note of the relevant Series may, by written notice to the Issuer, at the specified office of the Issuing and Paying Agent, declare that such Note and (unless the Note is a Zero Coupon Note) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Outstanding Principal Amount or, if such Note is a Zero Coupon Note, its Amortised Face Amount (as defined in Condition 6.12) or such other Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding,

unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

17. Taxation

17.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes, Receipts or Coupons will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax and, in the case of Notes issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the holder after such withholding or deduction shall equal the respective amounts of principal, interest or other amounts which would have been received in respect of the Notes, Receipts or Coupons (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of such Note, Receipt or Coupon; or
- (ii) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union; or
- (v) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day.

17.02 For the purposes of these Conditions, the "**Relevant Date**" means, in respect of any Note, Receipt or Coupon, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the Issuing and Paying

Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 23.

17.03 If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Condition 6.02 and Condition 17.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

17.04 Unless the context otherwise requires, any reference in these Conditions to any payment due in respect of the Notes, Receipts or Coupons shall be deemed to include (a) any additional amounts which may be payable under this Condition 17 and (b) the delivery of an Entitlement. Unless the context otherwise requires, any reference in these Conditions to “**principal**” shall include any premium payable in respect of a Note, any Instalment Amount, Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions, any Disruption Cash Settlement Price and any Failure to Deliver Settlement Price and “**interest**” shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Conditions.

18. Payments

Payments – Bearer Notes

18.01 Conditions 18.01 to 18.07 are applicable in relation to Notes in bearer form.

18.02 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount other than the final Instalment Amount) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

18.03 Payment of amounts in respect of interest on Bearer Notes will be made:

- (i) in the case of a Temporary Global Note or Permanent Global Note, against presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside (unless Condition 18.04 applies) the United States and, in the case of a Temporary Global Note, upon due certification as required therein;

- (ii) in the case of Definitive Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Definitive Notes at the specified office of any of the Paying Agents outside (unless Condition 18.04 applies) the United States; and
- (iii) in the case of Definitive Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on an Interest Payment Date, against presentation of the relevant Definitive Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 18.04 applies) the United States.

18.04 Notwithstanding the foregoing (and in relation to payments in U.S. dollars only), payments of amounts due in respect of interest on the Bearer Notes and exchanges of Talons for Coupon sheets in accordance with Condition 18.07 will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (i) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law. If clauses (i) and (ii) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.

18.05 Unless otherwise specified in the applicable Final Terms, if the due date for payment of any amount due in respect of any Bearer Note is not a Payment Date (as defined in Condition 18.15), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Date and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if appropriate, Condition 5.09.

18.06 Each Definitive Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) unless otherwise specified in the applicable Final Terms, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Definitive Notes that are Fixed Rate Notes or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 19);

- (ii) unless otherwise specified in the applicable Final Terms, all unmatured Coupons relating to such Definitive Notes that are Floating Rate Notes or that bear interest in variable amounts (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 18.06 notwithstanding, if any Definitive Notes should be issued with a Maturity Date and Rate or Rates of Interest such that, on the presentation for payment of any such Definitive Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Definitive Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Definitive Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

18.07 In relation to Definitive Notes initially delivered with Talons attached thereto, on or after the Interest Payment Date of the final Coupon comprised in any Coupon sheet, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 18.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 19 below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.

Payments – Registered Notes

18.08 Conditions 18.08 to 18.11 are applicable in relation to Registered Notes.

18.09 Payment of the Final Redemption Amount (together with accrued interest) due in respect of Registered Notes will be made against presentation and, save in the case of partial payment of the Final Redemption Amount, surrender of the relevant Registered Notes at the specified office of the Registrar. If the due date for payment of the Final Redemption Amount

of any Registered Note is not a Payment Date (as defined in Condition 18.15), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Date, and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, as appropriate, Condition 5.12.

18.10 Payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount and accrued interest in respect thereof) in respect of Registered Notes will be paid to the Holder thereof (or, in the case of joint Holders, the first-named) as appearing in the register kept by the Registrar (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form, as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.06) before the due date for such payment (the “**Record Date**”).

18.11 Notwithstanding the provisions of Condition 18.13, payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount and accrued interest in respect thereof) in respect of Registered Notes will be made in the currency in which such amount is due by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of Joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Payment Date, then the Holder thereof will not be entitled to payment thereof until the first day thereafter which is a Payment Date and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such postponed payment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, as appropriate, Condition 5.12.

Payments – General Provisions

18.12 Save as otherwise specified in these Conditions, Conditions 18.13 to 18.16 are applicable in relation to Bearer Notes and Registered Notes.

18.13 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee. In the case of Bearer Notes, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Notes be made by a cheque

mailed to an address in the United States. Payments will, without prejudice to the provisions of Condition 19, be subject in all cases to any applicable fiscal or other laws and regulations.

18.14 If the determination of any amount (whether in respect of principal, interest or otherwise) due in respect of the Notes on an Interest Payment Date, Instalment Date, early redemption date or the Maturity Date (such date a "**Scheduled Payment Date**") is calculated by reference to the valuation of one or more Reference Item(s) and the date (or final date, as the case may be) for such valuation is postponed or delayed as provided herein or in the applicable Final Terms to a date (such date the "**Delayed Date**") falling less than two Business Days preceding such Scheduled Payment Date, notwithstanding any provision to the contrary herein or in the applicable Final Terms, such Interest Payment Date, Instalment Date, early redemption date or the Maturity Date, as the case may be, shall be postponed to the day falling two Business Days following such Delayed Date and no interest or other amount shall be payable on the Notes in respect of such delay.

18.15 For the purposes of these Conditions "**Payment Date**" means:

- (i) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in (A) in the case of Notes in definitive form only, the place of presentation of the relevant Note or, as the case may be, Coupon and (B) each Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) in the case of any currency other than euro, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in the principal financial of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); or (B) in the case of payment in euro, a day which is a TARGET Business Day.

18.16 No commissions or expenses shall be charged to the Holders of Notes or Coupons in respect of such payments.

18.17 Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Final Terms.

18.18 Unless specified otherwise in the applicable Final Terms, if the Issuer is due to make a payment in a currency (the "**original currency**") other than euro in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency's replacement or disuse or other circumstances beyond the Issuer's control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the "**Euro FX Rate**") at which the original currency is offered in exchange for

euro in the London foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two London Banking Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the original currency will be payable. Any payment made in euro or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 16.

19. Prescription

19.01 In respect of Notes governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, subject to applicable law, the Issuer's obligation to pay an amount of principal and interest in respect of Notes will cease if the Notes or Coupons, as the case may be, are not presented within two years after the Relevant Date (as defined in Condition 17.02) for payment thereof, or such other length of time as is specified in the applicable Final Terms.

19.02 In respect of Deposit Notes governed by English law (whether in bearer or registered form), Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 17.02) therefor.

19.03 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 18.06 or this Condition 19 or the maturity date or due date for the payment of which would fall after the due date for the redemption of the relevant Note, or any Talon the maturity date of which would fall after the due date for the redemption of the relevant Note.

20. The Paying Agents, the Registrar and the Calculation Agent

20.01 The Issuing and Paying Agent and the Registrar and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Notes, a Registrar, (iii) following the issue of Definitive Notes, and while any such Definitive Notes are outstanding, a Paying Agent (which may be the Issuing and Paying Agent) with a specified office in a continental European city, (iv) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive (v) so long as the Notes are admitted to the Official List and to trading on the London Stock Exchange and/or admitted to listing or trading on any other stock exchange or relevant authority and the rules of such exchange or relevant authority so require, a Paying Agent (which may be the Issuing and Paying Agent) and a Registrar each with a specified

office in London and/or in such other place as may be required by the rules of such other stock exchange or other relevant authority, (vi) in the circumstances described in Condition 18.04, a Paying Agent with a specified office in New York City, and (vii) a Calculation Agent where required by the Conditions applicable to any Notes (in the case of (i), (ii), (iii) and (vii) with a specified office located in such place (if any) as may be required by the Conditions). The Paying Agents, the Registrar and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same metropolitan area. Notice of all changes in the identities or specified offices of any Paying Agent, the Registrar or the Calculation Agent will be given promptly by the Issuer to the Holders in accordance with Condition 23.

20.02 The Paying Agents, the Registrar and the Calculation Agent act solely as agents of the Issuer and, save as provided in the Issue and Paying Agency Agreement or any other agreement entered into with respect to their respective appointments, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

20.03 Notwithstanding the foregoing, the Issuing and Paying Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect of any Notes issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Notes. The applicable Final Terms relating to such Notes shall include the relevant details regarding the applicable Paying Agent.

21. Replacement of Notes

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent or any Paying Agent (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) (the "**Replacement Agent**"), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

22. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Conditions insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series, except that without the consent and affirmative vote of each Holder of Notes, no Extraordinary Resolution may: (i)

amend the Maturity Date or other redemption date of the Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the Rates of Interest in respect of the Notes, Fixed Coupon Amounts or vary the manner in which the Rate(s) of Interest are to be determined, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Final Terms, reduce any such minimum and/or maximum, (v) change any method of or basis for, calculating the Final Redemption Amount or Early Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) subject to any applicable redenomination provisions specified in the Final Terms, change the Specified Currency or Currencies of payment or Specified Denomination of the Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Notes or the majority required to pass an Extraordinary Resolution or (viii) modify or eliminate any of items (i) through (vii), inclusive above unless passed at a meeting of the Holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

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

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

23. Notices

To Holders of Bearer Notes

23.01 Notices to Holders of Bearer Notes will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if permitted by the rules of the relevant stock exchange or other relevant authority, in the case of Notes represented by a Temporary Global Note or Permanent Global Note, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to the persons shown in their respective records as having interests therein. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed. Any notice so given will be deemed to have been validly given on the date of first such publication (or, if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers) or, as the case may be, on the fourth weekday after the date of such delivery to Euroclear and Clearstream, Luxembourg and/or such other clearing system. Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice given to Holders of Bearer Notes in accordance with this Condition.

To Holders of Registered Notes

23.02 Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail (or equivalent) or, if posted to an overseas address, by air mail to them (or, in the case of joint Holders, to the first-named in the register kept by the Registrar) at their respective addresses as recorded in the register kept by the Registrar, or permitted by the rules of the relevant stock exchange or other relevant authority, in the case of Registered Notes in global form, if delivered to Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system for communication by them to persons shown in their respective records as having interests therein. Any notice so given will be deemed to have been validly given on the fourth weekday after the date of such mailing or, if posted from another country, on the fifth such day. The Issuer shall also ensure that notices are duly published in compliance with the requirements of each stock exchange or any other relevant authority on which the Notes are listed.

To Issuer

23.03 Notices to be given by any Holder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent or the Registrar (as applicable). While any of the Notes are represented by a Global Note, such notice may be given by any Holder to the Issuing and Paying Agent or the Registrar (as applicable) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issuing and Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

24. Further Issues

The Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further Notes, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the Specified Denomination thereof) so as to form a single series with the Notes of any particular Series.

25. Currency Indemnity

The currency in which the Notes are denominated or, if different, payable, as specified in the Final Terms (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation

from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

26. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

27. Branch of Account

27.01 This Condition 27 applies to Deposit Notes only. For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Final Terms shall be the branch of account (the "**Branch of Account**") for the deposits evidenced by this Note. If not specified in the applicable Final Terms, the Branch of Account will be the main branch of the Issuer in Toronto.

27.02 The Note will be paid without the necessity of first being presented for payment at the Branch of Account.

27.03 If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by the Deposit Note, upon not less than seven days' prior notice to the Holder given in accordance with Condition 23 and upon and subject to the following terms and conditions:

- (i) if the Deposit Note is denominated in Yen, the Branch of Account shall not be in Japan;
- (ii) the Issuer shall indemnify and hold harmless the holders of the Deposit Notes, Receipts and Coupons relating thereto against any tax, duty, assessment or governmental charge which is imposed or levied upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and
- (iii) notwithstanding (ii) above, no change of the Branch of Account may be made unless immediately after giving effect to such change (a) no Event of Default, and no event which, after the giving of notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing and (b) payments of principal, interest or other amounts on Notes of this Series, Coupons and Receipts relating thereto to holders thereof (other than Excluded Holders, as hereinafter defined) shall not, in the opinion of counsel

to the Issuer, be subject to any taxes, as hereinafter defined, to which they would not have been subject had such change not taken place. For the purposes of this section, an “**Excluded Holder**” means a holder of a Note of this Series, Coupon or Receipts relating thereto who is subject to taxes by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of a Note of this Series, Coupon or Receipts as a non-resident of such Relevant Jurisdiction. “**Relevant Jurisdiction**” means Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means any tax, duty, assessment or other governmental charge imposed or levied in respect of the payment of the principal of the Notes of this Series or interest thereon for or on behalf of a Relevant Jurisdiction or any authority therein or thereof having power to tax.

28. Amendment Option and Conversion Option

This Condition 28 is applicable to Subordinated Notes only.

- (i) The Issuer may, with the prior approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), without the Holders’ consent, at any time upon notice to Holders given not less than 30 days but not more than 60 days prior to the effective date of the amendment, amend these Conditions such that, with effect from the date specified in such notice, the Notes constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada) evidencing the same, continuing debt obligations as the Subordinated Notes so amended, constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all other deposit liabilities of the Issuer (except as otherwise prescribed by law) and without any preference amongst themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law) and the Events of Default in Condition 16.01(i) and (ii) shall thereafter apply to such Notes. The remaining terms and conditions of such Notes shall remain in full force and effect unamended.
- (ii) Subject to the following sentence, a Holder of Notes will be entitled, but only upon notice from the Issuer which may be given by the Issuer at various times only with the prior approval of the Superintendent, to convert, without payment of additional consideration, all, but not less than all, of the Notes held by such Holder on the date specified in such notice into an equal aggregate principal amount of new debentures issued by the Issuer, together with accrued and unpaid interest to the date of conversion. Any such notice from the Issuer must describe the material terms of the debentures to result from such conversion and must be given not less than 30 days but not more than 60 days prior to the date fixed for the conversion.

29. Contracts (Rights of Third Parties) Act 1999

No person shall have any rights to enforce any Condition of any Deposit Notes governed by English law under the *Contracts (Rights of Third Parties) Act 1999*, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

30. Law and Jurisdiction

30.01 The Issue and Paying Agency Agreement, the Subordinated Notes and Receipts, Coupons and Talons related thereto and, unless otherwise specified in the applicable Final Terms, the Deposit Notes and Receipts, Coupons and Talons related thereto are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

30.02 In the case of Deposit Notes issued on a non-syndicated basis only, if specified in the applicable Final Terms, the Deposit Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with such Deposit Notes, Receipt, Coupons and Talons shall be governed by, and shall be construed in accordance with, English law.

30.03 If the governing law for the Deposit Notes, the Receipts, the Coupons and the Talons is specified in the applicable Final Terms as being English law, the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any such Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any such Notes, Receipts, Coupons or Talons) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any such Notes, Receipts, Coupons or Talons) ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of such Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably agrees that service of process in any such Proceedings in England shall be deemed completed on delivery to its London branch at 71 Queen Victoria Street, London EC4V 4DE (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 23. Nothing shall affect the right to serve process in any manner permitted by law.

FORM OF FINAL TERMS OF THE NOTES

Final Terms dated •

[Logo]

ROYAL BANK OF CANADA
(a Canadian chartered bank)

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the U.S.\$40,000,000,000 Programme for the Issuance of Securities

[Notice Regarding Offers in the EEA

[Except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

(i) in that Relevant Member State in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in those Public Offer Jurisdictions mentioned in Paragraph 49 of Part A below, provided such person is one of the persons mentioned in Paragraph 49 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]¹

[Any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such

¹ Include this legend only where there is a non-exempt offer of Notes anticipated.

offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]²

[(Insert any specific additional risk factors, if appropriate.)]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [●] [and the supplemental Prospectus[es] dated [●]]³ which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Prospectus[es]], together with all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Base Prospectus] dated [*original date*] [and the supplemental Prospectus[es] dated [●]] which are incorporated by reference in the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]] and are attached below. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]]³, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]]. The [Base Prospectus] [and the supplemental Prospectus[es]] are available for viewing on the of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.]

² Include this legend only where there is an exempt offer of Notes anticipated.

³ Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

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

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive. If so, to avoid withdrawal rights applicable to a supplement, one can do a stand-alone prospectus incorporating by reference the Registration and Securities Note elements of the Base Prospectus and including the Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a Summary.]

[By investing in the Notes each investor represents that:

(a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the Conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.

(b) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.

(c) **Status of Parties.** Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Notes.]⁴

- | | |
|--|--|
| 1. Issuer: | Royal Bank of Canada |
| Branch of Account: | [Not Applicable] [London Branch] [Main Toronto Branch located at 200 Bay Street, Toronto, Ontario, Canada] |
| 2. [(i)] Series Number: | [] |
| [(ii)] Tranche Number: | [] |
| (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] | |
| 3. Specified Currency or Currencies:
(Condition 1.10) | [] |

⁴ Insert for Reference Item Linked Notes only, as appropriate.

4. Aggregate Principal Amount: []
- [(i)] Series: []
- [(ii)] Tranche: []
5. Issue Price: [] per cent of the Aggregate Principal Amount
[plus accrued interest from *[insert date]* (*in the case of fungible issues only (if applicable)*)]
6. (a) Specified Denominations: []
(Condition 1.08 or 1.09)

[N.B. where Bearer Notes with multiple denominations are being used, the following sample wording should be followed:

[[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].]

**

[So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of [●], notwithstanding that no definitive Notes will be issued with a denomination above [●]].

(N.B. Following the entry into force of the 2010 PD Amending Directive on December 31, 2010, Notes to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than July 1, 2012) must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities. Similarly, Notes issued

** If item 37 indicates that a Global Note is exchangeable for Definitive Notes at the option of a Holder, the Specified Denominations may not include integral multiples.

after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)

- (b) Calculation Amount: *[If only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination, and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note – there must be a common factor in the case of two or more Specified Denominations or integral multiples in excess of the Specified Denomination(s).]*
- (c) Minimum Trading Size: [Applicable: [●]/Not Applicable]
7. (i) Issue Date: []
- (ii) Interest Commencement Date [Specify/Issue Date /Not Applicable]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
- (In the case of Index Linked Notes, Equity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)*
9. Interest Basis: [[●] per cent. Fixed Rate]
[[LIBOR/EURIBOR/Other (specify)] +/-][●] per cent. Floating Rate]
[Zero Coupon]
[Currency Linked Interest]
[Commodity Linked Interest]
[Equity Linked Interest]
[Index Linked Interest]
[Fund Linked Interest]
[Dual Currency Interest]

- [Non-interest bearing]
 [Other (*Specify*)]
 (*Further particulars specified below*)
 (*N.B. If two or more of the above apply, state which are applicable and complete the relevant particulars*)
10. [(a)] Redemption/Payment Basis⁵: [Redemption at par]
 [Currency Linked Redemption]
 [Commodity Linked Redemption]
 [Equity Linked Redemption]
 [Index Linked Redemption]
 [Credit Linked Redemption]
 [Fund Linked Redemption]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [Other (*Specify*)]
 (*N.B. If two or more of the above apply, state which are applicable and complete the relevant particulars*)
- [(b)] Protection Amount: [Principal Protected/[•] per cent. of the Calculation Amount /Not Applicable]⁶
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis / Not Applicable*]
12. Put Option/ Call Option/ Trigger Early Redemption: [Put Option]
 [Call Option]
 [Trigger Early Redemption]
 [(further particulars specified below)]
13. [(i)] Status of the Notes: [Deposit/Subordinated] Notes
 [(ii)] [Date [Board] approval for issuance of Notes obtained: [] [and [] , respectively]]
 (*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or, if Subordinated Notes, specify date of most recent Standing Resolution of Board of Directors for issue of Subordinated Indebtedness obtained if other*)

⁵ If the Final Redemption Amount is other than 100 per cent. of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

⁶ Only applies to Reference Item Linked Notes.

than July 8, 2011)

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

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(Condition 5.02) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Specified Interest Payment Date(s): [] in each year [adjusted in accordance with the Business Day Convention /not adjusted]
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (iv) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (v) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [on/or] []
[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (vi) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)/other]
- (vii) Interest Determination Dates: [] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(Condition 5.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []

- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s): []
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent): []
- (vii) Screen Rate Determination:
- Reference Rate: []
(*Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions*)
 - Interest Determination Date(s): []
(*Second London business day prior to start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to start of each Interest Period if EURIBOR or euro LIBOR.*)
 - Relevant Screen Page: []
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is on page which shows a composite rate or amend fallback provisions appropriately.*)
 - Relevant Time: []
 - Reference Banks: []
- (viii) ISDA Determination: Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-][] per cent. per annum

- (x) Minimum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xi) Maximum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.11 for alternatives)
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [] per cent per annum
- (ii) Reference Price: [] per Calculation Amount
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction: []
18. **Reference Item Linked Interest Notes** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Description of formula to be used to determine the Rate of Interest or Interest Amount: [•]
- (ii) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to Reference Items and/or formula impossible or impracticable: [•]

- (iii) Interest Period(s)/Specified Interest Payment Date(s): [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[Specify other]]
- (v) Additional Financial Centre(s): [•]
- (vi) Minimum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (vii) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (viii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
- (ix) Other terms or special conditions:⁷ [•]

(See definitions in Condition 5.11 for alternatives)

- 19. Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iii) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

- 20. Call Option** [Applicable/Not Applicable]
(Condition 6.03) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): []

⁷ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period⁸ []
21. **Put Option** [Applicable/Not Applicable]
(Condition 6.06) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period⁷ []
22. **Trigger Early Redemption** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
(Condition 6.08)
- (i) Trigger Early Redemption Event: [•]
- (ii) Trigger Early Redemption Date(s): [Each Interest Payment Date immediately following the relevant Observation Date] [• Business Days following the relevant Observation Date] *[specify other]*
- (iii) (a) Trigger Early Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•] [per Calculation Amount]/other/see Appendix
- (b) Trigger Early Redemption Amount includes amount in respect of Accrued Interest: [Yes: no additional amount in respect of accrued interest to be paid / No: together with the Trigger Early Redemption Amount, accrued interest shall also be paid]

[N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Trigger Early Redemption Amount, if at all.]

⁸ If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its issuing and paying agent.

23. Final Redemption Amount of each Note⁹

[[] per Calculation Amount/other/see below/see Appendix]

[As per item 26 below (*include in the case of Reference Item Linked Notes*)]

[*Ensure provisions for each type of Note are contained in the Schedule or are completed below. Delete provisions that are not applicable to the Notes.*]

24. Early Redemption Amount

- (i) Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default or other early redemption and/or the method of calculating the same (including, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 8, or in the case of Equity Linked Notes, following a Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 9, or in the case of Equity Linked Notes, Index Linked Notes or Fund Linked Notes (involving ETFs), following an Additional Disruption Event (if applicable), or in the case of Fund Linked Notes, following a Fund Event or De-listing, Material Underlying Event, Merger Event, Nationalisation or Tender Offer in accordance with Conditions 12 and 13) (if required or if different from that set out in the Conditions):

[[] per Calculation Amount/other/see Appendix [*If effective date for changes in law triggering redemption for taxation reasons is not Issue Date, indicate effective date.*]

⁹ If the Final Redemption Amount is other than 100 per cent. of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

- (ii) Early Redemption Amount includes amount in respect of accrued interest: [Yes: no additional amount in respect of accrued interest to be paid / No: together with the Early Redemption Amount, accrued interest shall also be paid]

[N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Early Redemption Amount, if at all.]

PROVISIONS RELATING TO REFERENCE ITEM LINKED NOTES

25. Settlement Method

Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery and whether option to vary settlement: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery and specify whether Option to vary settlement applies]
[If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply]

26. Final Redemption Amount for Reference Item Linked Notes

[[]] per Calculation Amount/other/see below/see Appendix
[Ensure provisions for each type of Reference Item Linked Note are contained in the Schedule or are completed below]

27. Multi-Reference Item Linked Notes

[Applicable / Not Applicable]
 [if Applicable:
 (a) The Notes are linked to each of the Reference Items set out in the table below. The Terms and Conditions of the Notes as amended and/or supplemented by the applicable Final Terms shall be construed on the basis that in respect of each Reference Item the Relevant Conditions set out beside such Reference Item in the table below shall apply as the context admits separately and independently in respect of the relevant Reference Item.
 (b) **Reference Item Relevant Conditions**
 (1) [●] [Condition [●] as amended and/or supplemented by item [●] below]

applies]

(2) [●] [Condition [●] as amended and/or supplemented by item [●] below applies]

(3) [●] [Condition [●] as amended and/or supplemented by item [●] below applies]

(c) *[Insert additional terms and conditions in respect of multi-asset baskets as required]*

28. Currency Linked Note Provisions

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

(i) Base Currency/Subject Currency: [•]

(ii) Currency Price: [•] *[N.B. Include if different from definition in Condition 15.01]*

(iii) FX Market Disruption Event(s): [FX Price Source Disruption]
[FX Trading Suspension or Limitation]
[Inconvertibility Event]

(iv) FX Price Source(s): [•]

(v) Specified Financial Centre(s): [•]

(vi) Averaging: Averaging [applies/does not apply] to the Notes. [The Averaging Dates are [•].]

(vii) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]

(viii) Valuation Date(s): [•]

(ix) Valuation Time: [•]

(x) Valuation Cut-Off Date: [•]

(xi) FX Disrupted Day: *[Consider provisions in Condition 15.01 for calculation of Currency Price if a Valuation Date is a FX Disrupted Day and if not appropriate insert appropriate provisions]*

(xii) Weighting: [•]

(xiii) Other terms or special conditions:¹⁰ [•]

29. **Commodity Linked Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices: of [Cocoa]
[Coffee]
[Corn]
[Cotton]
[Lean Hogs]
[Live Cattle]
[Soybeans]
[Sugar]
[Wheat]
[Natural Gas (Henry Hub)]
[Oil (WTI)]
[Oil (Brent)]
[Gold]
[Platinum]
[Silver]
[Aluminium]
[Copper]
[Lead]
[Nickel]
[Zinc]
[•]

[The Sponsor[s] of the Commodity Index/Indices is/are [•]]

(ii) Relevant provisions for determining the Final Redemption Amount: [•]

(iii) Commodity Reference Price: [COCOA-NYBOT]
[COFFEE ARABICA-NYBOT]
[CORN NO. 2 YELLOW-CBOT]
[COTTON NO.2-NYBOT]
[LEAN HOGS-CME]
[LIVE CATTLE-CME]
[SOYBEANS-CBOT]
[SUGAR#11 (WORLD)-NYBOT]
[WHEAT-CBOT]
[NATURAL GAS-HENRYHUB-NYMEX]
[OIL-WTI-NYMEX]

¹⁰ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

[OIL-BRENT-IPE]
[GOLD-P.M. FIX]
[PLATINUM-P.M. FIX]
[SILVER-FIX]
[ALUMINIUM-LME CASH]
[COPPER-LME CASH]
[LEAD-LME CASH]
[NICKEL-LME CASH]
[ZINC-LME CASH]
[●]

(iv) Price Source:

[Bloomberg Screen page "CC1 <CMDTY> CT"/
Reuters Screen page "0#CC:"] *[insert where
the Commodity Reference Price is COCOA-
NYBOT]*

[Bloomberg Screen page "KC1 <CMDTY>
CT"/Reuters Screen page "0#KC:"] *[insert
where the Commodity Reference Price is
COFFEE ARABICA-NYBOT]*

[Bloomberg Screen page "C 1 <CMDTY>
CT"/Reuters Screen page "0#C:"] *[insert where
the Commodity Reference Price is CORN NO.
2 YELLOW-CBOT]*

[Bloomberg Screen page "CT1 <CMDTY>
CT"/Reuters Screen page "0#CT:"] *[insert
where the Commodity Reference Price is
COTTON NO.2-NYBOT]*

[Bloomberg Screen page "LH1 <CMDTY>
CT"/Reuters Screen page " 0#LH:"] *[insert
where the Commodity Reference Price is
LEAN HOGS-CME]*

[Bloomberg Screen page "LC1 <CMDTY>
CT"/Reuters Screen page "0#LC:"] *[insert
where the Commodity Reference Price is LIVE
CATTLE-CME]*

[Bloomberg Screen page "S 1 <CMDTY>
CT"/Reuters Screen page "0#S:"] *[insert where
the Commodity Reference Price is
SOYBEANS-CBOT]*

[Bloomberg Screen page "SB1 <CMDTY>
CT"/Reuters Screen page "0#SB:"] *[insert
where the Commodity Reference Price is
SUGAR#11 (WORLD)-NYBOT]*

[Bloomberg Screen page "W 1 <CMDTY>
CT"/Reuters Screen page "0#W:"] *[insert
where the Commodity Reference Price is
WHEAT-CBOT]*

[Bloomberg Screen page "NG1
<CMDTY>"/Reuters Screen page "2NGc1"]
[insert where the Commodity Reference Price

is NATURAL GAS-HENRYHUB-NYMEX]
 [Bloomberg Screen page "CL1
 <CMDTY>"/Reuters Screen page "2CLc1"]
 [insert where the Commodity Reference Price
 is OIL-WTI-NYMEX]
 [Bloomberg Screen page "CO1
 <CMDTY>"/Reuters Screen page "LCOc1"
 [insert where the Commodity Reference Price
 is OIL-BRENT-IPE]
 [Bloomberg Screen page "GOLDLNPM
 <INDEX>"/Reuters Screen page "GOFO"]
 [insert where the Commodity Reference Price
 is GOLD-P.M. FIX]
 [Bloomberg Screen page "PLTMLNPM
 <INDEX>"/Reuters Screen page "STBL"]
 [insert where the Commodity Reference Price
 is PLATINUM-P.M. FIX]
 [Bloomberg Screen page "SLVRLNPM
 <INDEX>"/Reuters Screen page "SIFO" [insert
 where the Commodity Reference Price is
 SILVER-FIX]
 [Bloomberg Screen page "LOAHDY
 <CMDTY>"/Reuters Screen page
 "SETTMAL01"] [insert where the Commodity
 Reference Price is ALUMINIUM-LME CASH]
 [Bloomberg Screen page "LOCADY
 <CMDTY>"/Reuters Screen page
 "SETTMCU01"] [insert where the Commodity
 Reference Price is COPPER-LME CASH]
 [Bloomberg Screen page "LOPBDY
 <CMDTY>"/Reuters Screen page
 "SETTMPB01"] [insert where the Commodity
 Reference Price is LEAD-LME CASH]
 [Bloomberg Screen page "LONIDY
 <CMDTY>"/Reuters Screen page
 "SETTMNI01"] [insert where the Commodity
 Reference Price is NICKEL-LME CASH]
 [Bloomberg Screen page "LOZSDY
 <CMDTY>"/Reuters Screen page
 "SETTMZN01"] [insert where the Commodity
 Reference Price is ZINC-LME CASH]
 [●]

(v) Exchange:

[NYBOT] [insert where the Commodity
 Reference Price is COCOA-NYBOT, COFFEE
 ARABICA-NYBOT, COTTON NO.2-NYBOT or
 SUGAR#11 (WORLD)-NYBOT]
 [CBOT] [insert where the Commodity
 Reference Price is CORN NO. 2 YELLOW-
 CBOT, SOYBEANS-CBOT or WHEAT-CBOT]

- [CME] *[insert where the Commodity Reference Price is LEAN HOGS-CME or LIVE CATTLE-CME]*
- [NYMEX] *[insert where the Commodity Reference Price is NATURAL GAS-HENRYHUB-NYMEX or OIL-WTI-NYMEX]*
- [ICE] *[insert where the Commodity Reference Price OIL-BRENT-IPE]*
- [London Gold Market] *[insert where the Commodity Reference Price is GOLD-P.M. FIX]*
- [LPPM] *[insert where the Commodity Reference Price is PLATINUM-P.M. FIX]*
- [London Silver Market] *[insert where the Commodity Reference Price is SILVER-FIX]*
- [LME] *[insert where the Commodity Reference Price is ALUMINIUM-LME CASH, COPPER-LME CASH, LEAD-LME CASH, NICKEL-LME CASH or ZINC-LME CASH]*
- [●]
- (vi) Delivery Date: [●]
[See Conditions]
- (vii) Pricing Date: [●]
- (viii) Nearby Month: [●]
[See Conditions]
- (ix) Common Pricing: [Applicable/Not Applicable] *(N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket)*
- (x) Additional Market Disruption Events: *[specify any additional Market Disruption Events]*
- Disruption Fallback(s): [As set out in Condition 14]/[●]
- [Fallback Reference Price: alternate Commodity Reference Price – [●]]
- [Commodity Index Cut-Off Date: [●]]
- (xi) Commodity Business Day: [●]
- (xii) Trade Date: [●]
- (xiii) Weighting: [Not Applicable/The weighting to be applied to each item comprising the Basket is [●]]
- (N.B. Only applicable in relation to Commodity Linked Notes relating to a Basket)*

- (xiv) Specified Price: [high price]
[low price]
[average of the high price and the low price]
[closing price]
[opening price]
[bid price]
[asked price]
[average of the bid price and the asked price]
[settlement price]
[official settlement price]
[official price]
[morning fixing]
[afternoon fixing]
[spot price]
[other]
- (xv) Other terms or special conditions: [●]
30. **Index Linked Note Provisions (Equity Indices only)** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Whether the Notes relate to a Basket of Indices or a single Index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi-Exchange Index: [Single Index/Basket of Indices]
Index or Indices: [[•] (*Give or annex details*)]
Index Sponsor(s):
Multi-Exchange Index : [Yes/No]
- (ii) Reference Level: [As set out in Condition 8.03 / *Insert another definition*]
- (iii) Averaging Date(s): [The Averaging Dates are [].]

[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (iv) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]
- (v) Observation Date(s): [[•] (*Give details*) / Not Applicable]
- (vi) Valuation Date(s): [•]
- (vii) Valuation Time: [Condition 8.03 applies/(*Specify if other*)]

- (viii) Disrupted Day: *[Consider provisions in Condition 8.03 for calculation of the Reference Level if a Valuation Date, Observation Date or Averaging Date is Disrupted Day and if not appropriate insert appropriate provisions]*
- (ix) Additional Disruption Events: *[Applicable/Not Applicable]*
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Other]
- (x) Index Substitution: *[Applicable/Not Applicable]*
[If applicable, the Index Substitution Criteria are:
[]]
- (xi) Exchange(s): *[•]*
- (xii) Related Exchange(s): *[All Exchanges]/[•]*
- (xiii) Initial Level: *[•]*
- (xiv) Trade Date: *[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]*
- (xv) Hedging Entity: *[Specify if other than the Issuer]*
- (xvi) Other terms or special conditions: *[•]*

11

31. Equity Linked Note Provisions

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

- (i) Whether the Notes relate to a Basket of Equities or a single Equity and the identity of the Equity Issuer(s): *[Single Equity/Basket of Equities] [Give or annex details of Equity Issuers and Equities, including details of Underlying Equities where applicable]*
- (a) Equity/Equities: *[Existing ordinary shares of the Equity Issuer]*
- (b) Equity Issuer: *[•] (Bloomberg code [•]);*
- (c) ISIN/Common Code: *[•]/[•]*

¹¹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

(ii) Reference Price:	[As set out in Condition 9.05 / <i>Insert another definition</i>]
(iii) Observation Period(s):	[Each Scheduled Trading Day from (and including) [<i>•</i>] / the Trade Date] to (and including) [<i>•</i>] / the Valuation Date] / [Not Applicable]
(iv) Observation Date(s):	[<i>•</i>] (<i>Give details</i>) / Not Applicable]
(v) Averaging Date(s):	[The Averaging Dates are [].] [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
(vi) Valuation Date(s):	[<i>•</i>]
(vii) Valuation Time:	[Condition 9.05 applies/(<i>Specify if other</i>)]
(viii) Disrupted Day:	[<i>Consider provisions in Condition 9.05 for calculation of the Reference Price if a Valuation Date, Observation Date or Averaging Date is a Disrupted Day and if not appropriate insert appropriate provisions</i>]
(ix) Initial Price:	[<i>•</i>]
(x) Trade Date:	[Issue Date (<i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i>)] / [<i>Insert Trade Date of related swap transaction (if different from Issue Date)</i>]
(xi) Potential Adjustment Events:	Applicable/Not Applicable [See Condition 9.02(i)]
(xii) De-listing:	[Applicable/Not Applicable]
(xiii) Merger Event:	[Applicable/Not Applicable]
(xiv) Nationalisation:	[Applicable/Not Applicable]
(xv) Insolvency:	[Applicable/Not Applicable]
(xvi) Tender Offer:	[Applicable/Not Applicable]
(xvii) Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging]

	[Insolvency Filing]
	[<i>Other</i>]
(xviii) Equity Substitution:	[Applicable/Not Applicable]
	[If applicable, the Equity Substitution Criteria are : []]
	[If applicable and DRs, DR Substitution Criteria are: []]
(xix) Exchange(s):	[•]
(xx) Related Exchange(s):	[All Exchanges]/[•]
(xxi) Exchange Rate:	[Applicable/Not Applicable] [<i>If applicable, insert details</i>]
(xxii) Partial Lookthrough Depository Receipt Provisions:	[Applicable / Not Applicable]
(xxiii) Full Lookthrough Depository Receipt Provisions:	[Applicable / Not Applicable]
(xxiv) Hedging Entity:	[<i>Specify if other than the Issuer</i>]
(xxv) Other terms or special conditions: ¹²	[•]
32. Fund Linked Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Whether the Notes relate to a single Fund or Basket of Funds and the identity of the relevant Fund / Funds:	[Single Fund / Basket of Funds] (Give or annex details) [[The [•] Fund is an ETF] [Exchange for each Fund Share: []] [Related Exchange for each Fund Share: []/All Exchanges] [Underlying Index]: [] <i>(N.B. Include for Exchange Traded Funds (ETFs))</i>
(ii) Fund Interest(s):	[•] <i>(N.B. For ETFs insert "Fund Shares")</i>

¹² Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (iii) Reference Price: [As set out in Condition 13.09] / *Insert another definition*
- [N.B. Include for ETFs only]
- (iv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
- (v) Averaging Date(s): [The Averaging Dates are []].
- [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Observation Period(s): [Each Scheduled Trading Day from (and including) [•] / the Trade Date] to (and including) [•] / the Valuation Date] / [Not Applicable]
- (vii) Observation Date(s): [•] (*Give details*) / Not Applicable]
- (viii) Valuation Date(s): []
- (ix) Valuation Time: [Condition 13.09 applies/Specify if other/Not Applicable]
- [N.B. Include for ETFs only]
- (x) Disrupted Day: [*Consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs included in Condition 13.09 and if not appropriate insert appropriate provisions*] [Not Applicable]
- [N.B. Include for EFTs only]
- (xi) Relevant provisions for determining certain Fund Events:
- (a) NAV Trigger: [*Insert percentage*]
- (b) Reporting Disruption Period: [*Insert applicable period*]
- (xii) Initial Price: []
- (xiii) Additional Disruption Events: [Applicable/Not Applicable]
- Change in Law: [Applicable/Not Applicable]
- Hedging Disruption: [Applicable/Not Applicable]
- Increased Cost of Hedging: [Applicable/Not

	Applicable]
	Insolvency Filing: [Applicable/Not Applicable]
(xiv) Exchange Rate	[]
(xv) Hedging Entity:	[Specify if other than the Issuer]
(xvi) Other terms and special conditions:	[Merger Event / Merger Date on or before the [Valuation Date/other]]
33. Credit Linked Note Provisions	[Applicable/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Relevant provisions for determining Final Redemption Amount including any fall back provisions:	[•]
(ii) Other terms or special conditions; ¹³	
34. Dual Currency Note Provisions	[Applicable (give details)/Not Applicable]
35. Physical Delivery*	[Applicable/Not Applicable]
(i) Relevant Assets:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable]</i>
(ii) Entitlement:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable]</i>
	The Entitlement (as defined in Condition 10.07) in relation to each Calculation Amount is [•].
	The Entitlement will be evidenced by <i>[Insert details of how will be evidenced]</i>
(iii) Cash Adjustment:	[The Cash Adjustment per Calculation Amount will be determined as follows: [•]]
(iv) Cut-Off Date:	<i>[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable]</i>

¹³ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

* Where the Relevant Assets are shares or share equivalents of a third party issuer that are not admitted to a regulated market, the Issuer may be required to prepare a Supplement or Drawdown Prospectus to include any additional information about the Relevant Assets.

- (iv) Delivery provisions for Entitlement (including details of who is to make such delivery) if different from Conditions: *[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery, or if Issuer's option to vary settlement is applicable]*
[N.B. Specify inter alia relevant Clearing System for delivery]
- (v) Failure to Deliver due to Illiquidity: [Applicable / Not Applicable]
- (vi) Settlement Business Day: [Any day on which *[insert details fo clearing system for delivery of Entitlement]* (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions] [other]
- (vii) Other terms or special conditions:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

36. (i) New Global Note: [Yes / No]
(If the Bearer Notes are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note should only be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a "yes" election is made in the section in Part B under the heading "Operational Information" entitled "Intended to be held in a manner which would allow Eurosystem eligibility".)
- (ii) Form of Notes: [Bearer Notes] [Bearer Notes exchangeable for Registered Notes]
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [and/or Registered Notes] on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days' notice]
 [Permanent Global Note exchangeable for Definitive Notes [and/or Registered Notes]

- on days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
[Registered Notes:]
37. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(iv) and 18(iv) relate]
38. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): (Condition 1.06) [Yes/No If yes, give details]
39. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
40. Details relating to Instalment Notes: amount of each instalment ("**Instalment Amounts**"), date on which each payment is to be made ("**Instalment Dates**"): [Not Applicable/give details]
41. Redenomination provisions: [Not Applicable/The provisions annexed hereto apply]
42. Consolidation provisions: [Not Applicable/The provisions annexed hereto apply]
43. Name and address of Calculation Agent: []
44. Other final terms: [Not Applicable/give details]
[When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]
[Include Notice provisions other than those found in Condition 23]
[Include additional Events of Default (Condition 16.01) and any Default Interest Rate (Condition 5.06)]

DISTRIBUTION

45. [(i)] If syndicated, [names and addresses]^{*} of Managers [and underwriting commitments]: [Not Applicable/give names, [addresses and underwriting commitments]^{*}]
[(Include names [and addresses]^{*} of entities agreeing to underwrite the issue on a firm commitment basis and names [and addresses]^{*} of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)^{*}
- [(ii)] Date of [Subscription Agreement]^{*}: []
- [(iii)] Stabilising Manager(s) (if any): [Not Applicable/give name]
46. If non-syndicated, name [and address]^{*} of Dealer: [Not Applicable/give name [and address]^{*}
47. [Total commission and concession: [] per cent. of the Aggregate Principal Amount]
48. U.S. Selling Restrictions: [Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable]
49. Non-Exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a general description of other parties involved in non-exempt offers (e.g. “Other parties authorised by the Managers”)] (together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] (until [specify date or a formula such as “the Issue Date” or “the date which falls [] Business Days thereafter”] (“**Offer Period**”). See further Paragraph 14 of Part

^{*} Required for Notes with minimum denominations less than Euro 100,000 or for derivative securities to which Annex XII to the Prospectus Directive applies. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive.

B below]

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)

50. Additional selling restrictions: [Not Applicable/give details]
[The Notes may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]¹⁴
51. Exchange Date: []
52. Certification of non-Canadian beneficial ownership: [Applicable/Not Applicable]
53. The Aggregate Principal Amount of the Notes issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of: [U.S.\$●] [Not Applicable]
54. Governing law (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): [English law / Not Applicable]¹⁵

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [the admission to [the Official List of [specify stock exchange] and to] trading on [specify relevant [regulated] market] of the Notes described herein pursuant to the U.S.\$40,000,000,000 Programme for the Issuance of Securities of Royal Bank of Canada.]

¹⁴ Consider including this prohibition/certification, among others for Notes permitting physical settlement of securities.
¹⁵ English law may only be elected in the case of Deposit Notes issued on a non-syndicated basis.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

- [(i)] Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of [the UKLA / Luxembourg Stock Exchange / other] and to] trading on [specify relevant regulated market] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Not Applicable.]

Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- [(ii)] Estimate of total expenses related to admission to trading:¹ []

2. RATINGS

Ratings: The Programme has been / The Notes to be issued [have been] / [are expected to be] rated:

[S & P: AA- [A+ for Subordinated Debt]]
[Moody's: Aa1 [Aa2 for Subordinated Notes]]
[[Other rating agency]: []]

[Need to include the full legal name of each rating agency above and a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]²

[[insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[Insert credit rating agency] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

** If an issue of Notes is not admitted to trading on a regulated market or the PSM or offered to the public in the EEA in circumstances requiring publication of a prospectus then certain items are not mandatory, including section 2 – 12 and 14 of this Part B.

¹ Only required for Notes with minimum denominations greater than Euro 100,000.

² Brief explanation of meanings is only required for Notes with denominations less than Euro 100,000.

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*Insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No, 1060/2009. The ratings [[*have been*]/[*are expected to be*]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

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

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

[The Issue Price may include a fee or commission payable to a distributor or third party. Such fee or commission will be determined by reference to a number of factors including

but not limited to the maturity date of the Notes, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

[The Issue Price includes a fee or commission of [●] per cent. of the notional amount of the Notes payable to a distributor or third party.]

[For Hong Kong issuances: The Issue Price may include a fee or commission payable to a distributor or third party, such a fee or commission will be determined by a number of factors including but not limited to maturity of the note, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

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

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

[(i) Reasons for the offer []
(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from that set out in the Base Prospectus will need to include those reasons here.)]

[(ii) Estimated net proceeds: ●

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

[(iii) Estimated total expenses: ●

[N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

5. [Fixed Rate Notes only – YIELD

Indication of yield: ●

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

[As set out above,]* [the] yield is calculated at the

Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

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

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

7. [Index Linked Notes only – PERFORMANCE OF [INDEX/BASKET OF INDICES], [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

Need to include details of where past and future performance and volatility of the/each Index/Basket of Indices can be obtained. [Need to include the name of the/each Index and Index Sponsor and a description if composed by the Issuer and if the/each Index is not composed by the Issuer need to include details of where the information about the/each Index can be obtained. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

[Identify source of all third party information.]

8. (Currency Linked Notes Only) PERFORMANCE OF [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES]]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the [relevant rates of exchange/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

9. (Commodity Linked Notes Only) PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES]]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of [the/each Commodity/Commodity Index/basket of Commodities/basket of Commodity Indices] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

10. (Dual Currency Notes Only) PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the relevant rates /currencies can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

11. (Equity Linked Notes and Fund Linked Notes Only) PERFORMANCE OF [EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear

and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the/each [Equity/Fund] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

[N.B. Where an issue of Equity Linked Notes or Fund Linked Notes is to be redeemed by physical delivery of all or part of a Reference Item and such Reference Item is not listed on a regulated market, the Issuer will supplement the Base Prospectus to include any additional information about the Reference Item that is required to enable the Issuer to comply with its disclosure obligations.]

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

[Identify source of all third party information.]

12. (Credit Linked Notes Only) INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

13. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]

and number(s):

- (iv) Delivery: Delivery [against/free of] payment
- (v) Name(s) and address(es) of Initial Paying Agents, Registrar and Transfer Agents: []
- (vi) Names and addresses of additional Paying Agent(s), [Registrar and Transfer Agents] (if any): []
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
- [Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria] [include this text if “yes” is selected *in which case the Bearer Notes must be issued in NGN form*]

14. TERMS AND CONDITIONS OF THE OFFER*

- Offer Price: [Issue Price] [Not Applicable] [*specify*]
- Conditions to which the offer is subject: [Not Applicable / *give details*]
- Description of the application process: [Not Applicable / *give details*]
- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable / *give details*]
- Details of the minimum and/or maximum amount of application: [Not Applicable / *give details*]
- Details of the method and time limits for paying up and delivering the Notes: [Not Applicable / *give details*]
- Manner and date in which results of the offer are to be made public: [Not Applicable / *give details*]

* Delete unless non-exempt public offers in the EEA are intended.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable / *give details*]

Categories of potential Investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable / *give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable / *give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable / *give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None / *give details*]

15. [INDEX/OTHER DISCLAIMER]*

The issue of this series of Notes (in this paragraph, the “**Transaction**”) is not sponsored, endorsed, sold, or promoted by [**NAME OF INDEX/OTHER**] (the “**Index**”) or [**NAME OF INDEX/OTHER SPONSOR**] (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 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 entering into any Transaction. The Issuer shall not have any liability for any act of 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, none of the Issuer or 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 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, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

* Include unless the relevant Index has a bespoke disclaimer, in which case substitute such bespoke disclaimer.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates, which as supplemented, modified or replaced in relation to any Series of Certificates by the applicable Final Terms, will be applicable to each Series of Certificates and shall be incorporated by reference in each Global Certificate and the applicable Final Terms attached thereto. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the applicable Final Terms.

The Certificates are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated July 18, 2011 (as further amended, supplemented, restated or replaced, the "**Issue and Paying Agency Agreement**") and made between Royal Bank of Canada (the "**Issuer**"), Royal Bank of Canada, London branch, in its capacities as issuing and principal paying agent and principal certificate agent (the "**Issuing and Paying Agent**", which expression shall include any successor to Royal Bank of Canada, London branch in its capacity as such) and as registrar (the "**Registrar**", which expression shall include any successor to Royal Bank of Canada, London branch in its capacity as such and any additional registrars appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The expression "**Paying Agents**" as used herein shall include the Issuing and Paying Agent and any additional certificate agents appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The Holders of Certificates governed by English law are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**" dated July 15, 2010 and made by the Issuer. The original Deed of Covenant is held by a common depositary for the Clearing Systems (as defined below). Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of the Issuing and Paying Agent. All persons from time to time entitled to the benefit of obligations under the Certificates shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the Certificates.

The Certificates are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Certificates. Each Tranche will be the subject of Final Terms (each, "**Final Terms**"), a copy of which will, subject as provided below, be available free of charge during normal business hours at the specified office of the Issuing and Paying Agent and each other Paying Agent. In the case of a Tranche of Certificates that is not offered to the public nor admitted to trading on a regulated market in any Member State of the European Union, Iceland, Norway or Liechtenstein (together, the "**European Economic Area**") in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure nor admitted to trading on the Professional Securities Market, copies of the Final Terms will only be available for inspection by a Holder of such Certificates.

References in these Terms and Conditions (the “**Terms and Conditions**” or the “**Conditions**”) to Certificates are to Certificates of the relevant Series and includes the relevant Global Certificate.

The applicable Final Terms (the “**Final Terms**”) for Certificates supplement these Conditions and may specify other terms and conditions which shall to the extent so specified or to the extent that it is inconsistent with these Conditions, supplement, replace or modify these Conditions for the purposes of the Certificates. References in these Conditions to the applicable Final Terms are to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Condition 12 and forming a single series with the Certificates) attached to the Global Certificate (as defined below).

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

1. Form, Type, Title and Transfer

Type

1.01 The Certificates are either redeemable (“**Redeemable Certificates**”) or exercisable (“**Exercisable Certificates**”) as specified in the applicable Final Terms.

The Certificates relate to an index or basket of indices (“**Index Linked Certificates**”), a specified currency or basket of currencies (“**Currency Linked Certificates**”), a single fund or a basket of funds (“**Fund Linked Certificates**”), a commodity or commodity index or a basket of commodities or commodity indices (“**Commodity Linked Certificates**”), a single equity security or a basket of equity securities (an “**Equity Linked Certificates**”) or a combination of any of the foregoing or any other kind of Certificate specified in the applicable Final Terms.

1.02 The applicable Final Terms will indicate whether settlement will be by way of cash payment (“**Cash Settled Certificates**”) or physical delivery (“**Physical Delivery Certificates**”) and whether averaging (“**Averaging**”) will apply to the Certificates.

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

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

Certificates may, if so specified and provided for in the applicable Final Terms, 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 Certificates where the Holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Holder has elected for physical delivery will be Physical Delivery Certificates. The rights of a Holder as described in this paragraph may be subject to the Issuer's right to vary settlement if so indicated in the applicable Final Terms.

Form of Certificates

1.03 The Final Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") or U.S. Treasury Regulation § 1.163- 5(c)(2)(i)(C) (the "**TEFRA C Rules**") shall apply. Each Tranche of Certificates with an original maturity of more than one year is represented upon issue by a temporary global Certificate (a "**Temporary Global Certificate**"), unless the Final Terms specify otherwise, in particular, when the TEFRA C Rules apply.

Where the applicable Final Terms so specify or where a Tranche of Certificates has an original maturity of one year or less, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global Certificate (a "**Permanent Global Certificate**") and, together with the Temporary Global Certificate, the "**Global Certificates**" and each a "**Global Certificate**").

Definitive Certificates will not be issued.

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

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

Unless the Final Terms specify that TEFRA C Rules are applicable to the Certificates and subject to the preceding paragraph, if any date on which a payment of Additional Amounts is due on the Certificates of a Tranche occurs while any Certificates of that Tranche are represented by a Temporary Global Certificate, the related Additional Amount payable will be made on the Temporary Global Certificate only to the extent that certification as to the beneficial ownership

thereof as required by U.S. Treasury Regulations (in the form to be provided), had been received by the relevant Clearing Systems and the relevant Clearing Systems have given a like certification (based on the certification received) to the Issuing and Paying Agent.

Title to Certificates

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

Transfers

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

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

2. Status of the Certificates

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

3. Definitions

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

“**Actual Exercise Date**” means, in respect of Exercisable Certificates, the Exercise Date (in the case of European Style Certificates), or, subject to Condition 22.09 (B), the date during the Exercise Period on which the Exercisable Certificate is actually or is deemed exercised (in the case of American Style Certificates) (as more fully set out in Condition 21.01) or the date on

which the Exercisable Certificate is actually or is deemed exercised (in the case of Open-Ended Certificates).

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

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

“**Cash Settlement Amount**” means, in relation to a Cash Settled Certificate, the amount (which may never be less than zero) which the Holder is entitled to receive on the Settlement Date or Redemption Date, as applicable, in the Settlement Currency in relation to each such Certificate, or, in the case of Exercisable Certificates, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the provision set out in the applicable Final Terms. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Certificates exercised or redeemed at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Certificates. If a Protection Amount is specified in the applicable Final Terms, the Cash Settlement Amount will, subject to the applicable Final Terms, at the stated Redemption Date or Settlement Date, as the case may be, be no less than the amount specified as such in the applicable Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that Certificates are redeemed or cancelled prior to their stated Redemption Date or Settlement Date, as the case may be.

“**Clearing System**” means Euroclear and/or Clearstream, Luxembourg or such further or alternative clearing system approved by the Issuer and the Issuing and Paying Agent as specified in the applicable Final Terms.

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

“**Entitlement**” means, as specified in the applicable Final Terms, in relation to a Physical Delivery Certificate, or, in the case of an Exercisable Certificate, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date or Redemption Date, as applicable, in respect of each such Certificate or Unit, as the case may be, following payment of the Expenses, rounded down as provided in Condition 21.05 or 25.01, as determined by the Calculation Agent including any documents evidencing such Entitlement.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Hedging Entity**” means (a) if not specified in the applicable Final Terms, the Issuer, or (b) any Affiliates or any entity (or entities) acting on behalf of the Issuer as specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Index, Equity, Fund Interest or Fund Share, as the case may be, in respect of the Issuer’s obligations under the Certificates.

“**Minimum Trading Size**” has the meaning ascribed to it in the applicable Final Terms.

“**Redemption Date**” has the meaning ascribed to it in the applicable Final Terms.

“**Settlement Date**” has the meaning ascribed to it in the applicable Final Terms.

4. General Provisions relating to Physical Settlement

4.01 The provisions of Conditions 4.01, 4.02 and 4.03 apply to all Certificates.

Settlement Disruption

4.02 If, following the exercise or upon redemption of Physical Delivery Certificates in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date or Redemption Date, as the case may be, then such Settlement Date or Redemption Date, as the case may be, for such Certificates shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificates or Units, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date or Redemption Date, as the case may be, shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date or Redemption Date, as the case may be, for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date or Redemption Date, as the case may be. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant Certificates or Units, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Holder shall be entitled to any payment in respect of the relevant Certificate or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“**Disruption Cash Settlement Price**” in respect of any relevant Certificates or Unit, as the case may be, shall be the fair market value of such Certificates or Unit, as the case may be, (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant

Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Issuer in its sole and absolute discretion; and

“**Settlement Business Day**” has the meaning ascribed to it 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 Relevant Asset(s) using the method specified in the applicable Final Terms.

Failure to Deliver due to Illiquidity

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

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

For the purposes hereof:

“**Failure to Deliver Settlement Price**” means, in respect of any relevant Certificate or Unit, as the case may be, the fair market value of such Certificate or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

Issuer’s Option to Vary Settlement

4.04 In the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Certificates, upon a valid exercise or a redemption of Certificates in accordance with these Terms and Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such Certificate or Unit, as the case may be, elect not to pay the relevant Holders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date or Redemption Date, as the case may be, to the relevant Holders, as the case may be. Notification of such election will

be given to Holders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date (in the case of Exercisable Certificates) or the second Business Day immediately preceding the Redemption Date (in the case of Redeemable Certificates).

General provisions relating to Settlement

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

Exercise or redemption of the Certificates, as applicable, is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date or Redemption Date, as the case may be, and none of the Issuer or any of its Affiliates or the Issuing and Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer or any of its Affiliates or the Issuing and Paying Agent shall under any circumstances be liable for any acts or defaults of any Clearing System in relation to the performance of their duties in relation to the Certificates.

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

5. Illegality and Early Cancellation for Tax Reasons

Illegality

5.01 If the Issuer determines in good faith that the performance of its obligations under the Certificates or that any arrangements made to hedge the Issuer's obligations under the Certificates have become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power, or the interpretation thereof, the Issuer having given not less than ten (10) nor more than 30 days' notice to Holders in accordance with Condition 10 (which notice shall be irrevocable) may, on expiry of such notice, cancel (in the case of Exercisable Certificates) or redeem (in the case of Redeemable Certificates) the Certificates.

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

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

Early Cancellation for Taxation Reasons

5.02 If, (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of Certificates issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the Issue Date of such Certificates or any other date specified in the applicable Final Terms, the Issuer would be required to pay extra amounts as provided in Condition 11.03, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Certificates paying Additional Amounts at a floating rate, on an Additional Amount Payment Date) to the Holders of the Certificates in accordance with Condition 10 (which notice shall be irrevocable), cancel (in the case of Exercisable Certificates) or redeem (in the case of Redeemable Certificates) all (but not some only) of the outstanding Certificates, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Certificates paying Additional Amounts at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current Additional Amount Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Certificates then due.

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

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

6. Events of Default

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

(i) the Issuer fails to pay any Cash Settlement Amount or deliver any Entitlement in respect of the Certificates of the relevant Series or any of them on the settlement date or due date for payment thereof or fails to pay any Additional Amount in respect of the Certificate of the relevant Series or any of them within 30 days of the due date for payment thereof; or

(ii) if the Issuer shall have come insolvent or bankrupt, or if a liquidator, receiver or receiver and manager of the Issuer or any other officer having similar powers shall be appointed, or if the Superintendent of Financial Institutions (Canada) shall have taken control of the assets of the Issuer or of the Issuer itself.

6.02 If any Event of Default shall occur, any Holder may, by notice given to the Issuing and Paying Agent through the relevant Clearing Systems in such manner as the Issuing and Paying Agent and the relevant Clearing Systems may approve for this purpose, declare such Certificate to be immediately repayable whereupon it shall become immediately due and repayable at the fair market value of such Certificate or Unit, as the case may be, notwithstanding the Event of Default, together with accrued Additional Amounts (if applicable), less the cost to the Issuer and/or the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) all as determined by the Calculation Agent in its sole and absolute discretion, unless, prior thereto, all Events of Default in respect of such Certificate shall have been cured.

7. Purchases

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

8. Payments – Unavailability of Settlement Currency

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

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

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

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

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

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

Determinations

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

Modifications and Meetings Provisions

9.05 The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of the Certificates to consider any matter affecting their interest, including (without

limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Holders of the Certificates will be binding on all Holders of the Certificates, whether or not they are present at the meeting, except that without the consent and affirmative vote of each Holder of the Certificates, no Extraordinary Resolution may: (i) amend the Redemption Date, Exercise Date or Exercise Period or any Additional Amount Payment Date (as applicable) in respect of the Certificates (ii) reduce or cancel the Cash Settlement Amount or the Entitlement (as applicable), (iii) reduce any Additional Amount payable, (iv) subject to any applicable redenomination provisions specified in the Final Terms, change the Settlement Currency, (v) modify the provisions concerning the quorum required at any meeting of Holders of the Certificates or the majority required to pass an Extraordinary Resolution or (vi) modify or eliminate any of items (i) through (v), inclusive above unless passed at a meeting of the Holders of the Certificates (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

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

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

10. Notices

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

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

11. Expenses and Taxation

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

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

11.03 Taxation

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

- (x) to, or to a third party on behalf of, a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of such Certificate; or
- (y) to, or to a third party on behalf of, a holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the holder being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (z) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

(ii) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to Canada or the country in which the relevant Branch of Account is located, references in Condition 10 and Condition 11.03 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

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

12. Further Issues

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

13. Currency Indemnity

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

14. Branch of Account

14.01 For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the applicable Final Terms shall be the branch of account (the "**Branch of Account**") for the deposits evidenced by the Certificates. If not specified in the applicable Final Terms, the Branch of Account will be the main branch of the Issuer in Toronto. The Certificates will be paid without the necessity of first being presented for payment at the Branch of Account.

14.02 If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by the Certificate, upon not less than seven days' prior notice to the Holders given in accordance with Condition 10 and upon and subject to the following terms and conditions:

- (i) if the Certificate is payable in Yen, the Branch of Account shall not be in Japan;
- (ii) the Issuer shall indemnify and hold harmless the holder of the Certificate against any tax, duty, assessment or governmental charge which is imposed or levied

upon such holder as a consequence of such change, and shall pay the reasonable costs and expenses of the Issuing and Paying Agent in connection with such change; and

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

15 Adjustments for European Monetary Union

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

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

The election will have effect as follows:

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

expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and

- (c) such other changes shall be made to these Terms and Conditions as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- (ii) require that the Calculation Agent make such adjustments to the Weighting and/or any other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or such other terms of these Terms and Conditions.

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

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

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

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

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

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

“Treaty” means the treaty establishing the European Community, as amended.

16. Contracts (Rights of Third Parties) Act 1999

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

17. Law and Jurisdiction

17.01 The Issue and Paying Agency Agreement and, unless otherwise specified in the applicable Final Terms, the Certificates and the Global Certificate and any non-contractual

obligations arising out of or in connection therewith are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

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

17.03 In the case of English Law Certificates, the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Certificates (including a dispute relating to any non-contractual obligations arising out of or in connection with the Certificates) and accordingly any legal action or proceedings arising out of or in connection with the Certificates (including a dispute relating to any non-contractual obligations arising out of or in connection with the Certificates) (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of the Certificates and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably agrees that service of process in any such Proceedings in England shall be deemed completed on delivery to its London branch at 71 Queen Victoria Street, London EC4V 4DE (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 10. Nothing shall affect the right to serve process in any other manner permitted by law.

18. Terms applicable to Exercisable Certificates only

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

19. Definitions (Exercisable Certificates)

For the purposes of the Exercisable Certificates:

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

“**In-The-Money**” means

- (a) in the case of a Cash Settled Certificate, the Cash Settlement Amount in respect of such Certificate; or
- (b) in the case of a Physical Delivery Certificate, the value of the Entitlement on the Actual Exercise Date for such Certificate,

is in each case greater than zero.

20. Type (Exercisable Certificates)

The applicable Final Terms will indicate whether the Exercisable Certificates are American style Certificates (“**American Style Certificates**”), European Style Certificates (“**European Style Certificates**”), open-ended Certificates (“**Open-Ended Certificates**”) or such other type as may be specified in the applicable Final Terms and whether automatic exercise (“**Automatic Exercise**”) applies to the Exercisable Certificates and whether the Exercisable Certificates may only be exercised in Units. If Units are specified in the applicable Final Terms, Exercisable Certificates must be exercised in Units and any Exercise Notice which purports to exercise Certificates in breach of this provision shall be void and of no effect.

21. Exercise Rights (Exercisable Certificates)

Exercise Period

American Style Certificates

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

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

If Automatic Exercise is specified in the applicable Final Terms any such American Style Certificate with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent “In-The-Money” shall be automatically exercised on the Expiration Date and the provisions of Condition 22.08 shall apply.

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

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

European Style Certificates

21.02 European Style Certificates are only exercisable on the Exercise Date.

If Automatic Exercise is not specified in the applicable Final Terms, any European Style Certificate with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate) on the Exercise Date, shall become void. If Automatic Exercise is specified in the applicable Final Terms, any such European Style Certificate with respect to which no Exercise Notice has been delivered in the manner set out in Condition 22, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Exercise Date and which is in the determination of the Calculation Agent “In-The-Money”, shall be automatically exercised on the Exercise Date and the provisions of Condition 22.08 shall apply (such an exercise being an “**Automatic Exercise**” and references to “**Automatically Exercised**” shall be construed accordingly).

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

Open-Ended Certificates

21.03 Open-Ended Certificates are exercisable on any Exercise Date. If any such Exercise Notice is received by the relevant Clearing System or if a copy thereof is delivered to the Issuer and the Issuing and Paying Agent, in each case, after 10.00 a.m., Brussels or Luxembourg time (as appropriate), on an Exercise Date, such Exercise Notice will be deemed to have been delivered on the next Exercise Date, which Exercise Date shall be deemed to be the Actual Exercise Date.

Cash Settlement

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

Physical Settlement

21.05 If the Exercisable Certificates are Physical Delivery Certificates, each such Certificate or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and, subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of any Expenses or sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, Certificates or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may

be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof a cash adjustment (the “**Cash Adjustment**”) in the Settlement Currency calculated by the Calculation Agent in its sole and absolute discretion or otherwise in the manner specified in the applicable Final Terms shall be paid to the Holder.

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

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

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

Issuer Call Option

21.06 If Issuer Call Option is specified as applicable in the applicable Final Terms, the Issuer may having given not less than 10 nor more than 60 days’ notice (or such other Issuer Call Option Notice Period as is set out in the applicable Final Terms) to the Holders in accordance with Condition 10 (which notice shall be irrevocable) elect that the Expiration Date (in the case of American Style Certificates) or the Exercise Date (in the case of European Style Certificates) in respect of all (but not some only) of the Certificates will be brought forward and such Certificates Automatically Exercised on the Call Option Date. If Call Option Cash Settlement is specified as applicable in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the Certificates are not Cash Settled Certificates, the Certificates shall be deemed to be Cash Settled Certificates and (b) the Cash Settlement Amount shall be the Call Option Cash Settlement Amount specified in the applicable Final Terms.

If the Certificates are Automatically Exercised on the Call Option Date, (i) the Call Option Date shall be deemed to be the Expiration Date (in the case of American Style Certificates) or the Exercise Date (in the case of European Style Certificates), (ii) the provisions of Conditions 22.06

shall apply and (iii) the expressions “exercise”, “due exercise” and related expressions shall be construed to apply to any Certificates which are Automatically Exercised on the Call Option Date in accordance with this provision.

Trigger Early Exercise

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

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

22. Exercise Procedure (Exercisable Certificates)

Exercise Notices

22.01 Subject as provided in Condition 22.08, Exercisable Certificates may only be exercised by delivering in a manner acceptable to the relevant Clearing System, an exercise notice (an “**Exercise Notice**”) to the relevant Clearing System with a copy to the Issuer and the Issuing and Paying Agent in accordance with the provisions of Condition 21 and this Condition including the information set out below:

In the case of Cash Settled Certificates, the Exercise Notice shall:

- (A) specify the ISIN and series of the Certificates and the number of Certificates being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (B) specify the number of the Holder’s account at the relevant Clearing System to be debited with the Certificates being exercised;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Holder’s account with the Certificates being exercised;
- (D) specify the number of the Holder’s account at the relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each Certificate or Unit, as the case may be, being exercised;
- (E) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the

Holder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Expenses;

- (F) certify that the beneficial owner of each Certificate being exercised is not a U.S. person (as defined in the Exercise Notice), such Certificates were not held on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and
- (G) authorise the production of such certification in applicable administrative or legal proceedings.

22.02 In the case of Physical Delivery Certificates, the Exercise Notice shall:

- (A) specify the ISIN and series of the Certificates and the number of Certificates being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (B) specify the number of the Holder's account at the relevant Clearing System to be debited with the Certificates being exercised;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Holder's account with the Certificates being exercised;
- (D) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
- (E) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price or the occurrence of a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Failure to Deliver Settlement Price;
- (F) in the case of Currency Linked Certificates only, specify the number of the Holder's account at the relevant Clearing System to be credited with the amount due upon exercise of the Certificates;
- (G) certify, *inter alia*, that the beneficial owner of each Certificate being exercised is not a U.S. person (as defined in the Exercise Notice), such Certificates were not held on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and,

where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and

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

22.03 If Condition 4.04 applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Issuing and Paying Agent.

Irrevocable Election

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

Verification of the Holder

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

22.06 *Settlement*

(a) Cash Settled Certificates

The Issuer, through the Issuing and Paying Agent, shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Certificate or Unit, as the case may be, to the Holder's account with the relevant Clearing System specified in the relevant Exercise Notice, for value on the Settlement Date less any Expenses not already paid.

Payment will be made in accordance with the rules of the relevant Clearing System. The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Physical Delivery Certificates

Subject to payment of any Expenses with regard to the relevant Certificates or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement

for each duly exercised Certificate or Unit, as the case may be, pursuant to the details specified in the Exercise Notice subject as provided in Condition 21.05. The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

22.07 Determinations

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

If such Exercise Notice is subsequently corrected to the satisfaction of the Clearing Systems in consultation with the Issuing and Paying Agent and the Issuer it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System with a copy to the Issuing and Paying Agent and the Issuer.

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

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

Automatic Exercise

22.08 This paragraph only applies to Certificates (i) if Automatic Exercise is specified in the applicable Final Terms and the Certificates are automatically exercised as provided in Condition 21.01 or Condition 21.02 or (ii) the Certificates are automatically exercised pursuant to Condition 21.07.

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

as the case may be, and a copy thereof delivered to the Issuer and the Issuing and Paying Agent is referred to in this Condition as the “**Exercise Notice Delivery Date**”, provided that if the Exercise Notice is delivered to the relevant Clearing System and a copy thereof delivered to the Issuing and Paying Agent at or after 10:00 a.m., Brussels or, Luxembourg time (as appropriate) on a Business Day the Exercise Notice Delivery Date shall be deemed to be the next succeeding Business Day.

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

Minimum and Maximum Number of Certificates Exercisable

American Style Certificates and Open-Ended Certificates

22.09 This paragraph 22.09 applies only to American Style Certificates and Open-Ended Certificates:

- (A) The number of Certificates exercisable by any Holder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable 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 Certificates in breach of this provision shall be void and of no effect.
- (B) If the Issuer determines that the number of Certificates being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such Certificates, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Certificates (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Certificates have been attributed with an Actual Exercise Date, provided, however, that in the case of American Style Certificates the deemed Actual Exercise Date for any such Certificates which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Certificates are exercised on the same day by Holder(s), the order of settlement in respect of such Certificates shall be at the sole discretion of the Issuer.

European Style Certificates

22.10 This paragraph 22.10 applies only to European Style Certificates:

The number of Certificates exercisable by any Holder on any Exercise Date as determined by the Issuer must be equal to the Minimum Exercise Number specified in the applicable 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 Certificates in breach of this provision shall be void and be of no effect.

23. Additional Amounts

Calculation of Additional Amounts

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

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

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

Accrual of Additional Amounts

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

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

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

Payment of Additional Amounts

23.03 Where the Exercisable Certificates pay additional amounts as specified in the applicable Final Terms, subject as provided below, the Issuer shall pay or cause to be paid the Additional

Amount for each Exercisable Certificate in respect of each Additional Amount Period on the relevant Additional Amount Payment Date by credit or transfer to the Holder's account with the relevant Clearing System for value on the relevant Additional Amount Payment Date, such payment to be made in accordance with the rules of the relevant Clearing System.

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

Definitions

23.04 "30/360 (Floating)" or "360/360" or "Bond Basis" means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

"30E/360" or "Eurobond Basis" means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

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

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount 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 Additional Amount Period, unless such number would be 31, in which case D₂ will be 30.

“**30E/360 (ISDA)**” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D₂ will be 30.

“**Actual/360**” means the actual number of days in the Additional Amount Period divided by 360.

“**Actual/Actual (ISDA)**” means the actual number of days in the Additional Amount Period divided by 365 (or, if any portion of that Additional Amount Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Additional Amount Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Additional Amount Period falling in a non-leap year divided by 365).

“**Actual/365 (Fixed)**” means the actual number of days in the Additional Amount Period divided by 365.

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

Notional Amount per Certificate x Additional Amount Rate x Additional Amount Rate Day Count Fraction.

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

24. Terms applicable to Redeemable Certificates only

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

25 Redemption (Redeemable Certificates)

25.01 The Certificates shall be redeemed on the Redemption Date. If the Certificates are Cash Settled Certificates, each such Certificate entitles its Holder to receive from the Issuer on the Redemption Date the Cash Settlement Amount. If the Certificates are Physical Delivery Certificates, each such Certificate entitles its Holder, subject to certification as to non-U.S. beneficial ownership and to the provisions of Condition 26.01, to receive from the Issuer on the Redemption Date the Entitlement subject to payment of any Expenses. The method of delivery of the Entitlement is set out in the applicable Final Terms.

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

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

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

account specified by the Holder in the relevant Collection Notice as referred to in Condition 26.01(E).

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

Issuer Call Option

25.02 If Issuer Call Option is specified as applicable in the applicable Final Terms the Issuer may, having given not less than 10 nor more than 60 days’ notice (or such other Issuer Call Option Notice Period as is set out in the applicable Final Terms) to the Holders in accordance with Condition 10 (which notice shall be irrevocable) elect that the Redemption Date for all (but not some only) of the Certificates be brought forward to the Call Option Date. If Call Option Cash Settlement is specified as applying in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the Certificates are not Cash Settled Certificates, the Certificates shall be deemed to be Cash Settled Certificates and (b) the Cash Settlement Amount shall be the Call Option Cash Settlement Amount specified in the applicable Final Terms.

Trigger Early Redemption

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

Holder Put Option

25.04 If Holder Put Option is specified as applicable in the applicable Final Terms, a Holder may, by giving not less than 10 nor more than 60 days’ notice (or such other Holder Put Option Notice Period as is set out in the applicable Final Terms) as set out below elect to bring forward the Redemption Date for his Certificates to the Put Option Date set out in the relevant Put Notice (as defined below). If Put Option Cash Settlement is specified as applying in the applicable Final Terms, notwithstanding any provision to the contrary in the Terms and Conditions and/or the applicable Final Terms (a) if the Certificates are not Cash Settled Certificates, the Certificates shall be deemed to be Cash Settled Certificates and (b) the Cash Settlement Amount for the relevant Certificates shall be the Put Option Cash Settlement Amount specified in the applicable Final Terms.

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

26. Collection Notices and Settlement (Redeemable Certificates)

Collection Notices

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

The Collection Notice shall:

- (A) specify the ISIN and series of the Certificates and the number of Certificates the subject of such Collection Notice;
- (B) specify the number of the Holder’s account at the relevant Clearing System to be debited with the Certificates the subject of such Collection Notice;
- (C) irrevocably instruct the relevant Clearing System to debit on or before the Redemption Date the Holder’s account with the Certificates the subject of such Collection Notice;
- (D) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
- (E) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder’s account with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or in respect of any Partial Cash Settlement Amount;
- (F) in the case of Currency Linked Certificates only, specify the number of the Holder’s account at the relevant Clearing System to be credited with the amount due upon exercise of the Certificates;
- (G) certify, *inter alia*, that the beneficial owner of each Certificate which is the subject of such Collection Notice is not a U.S. person (as defined in the Collection Notice), the Certificate was not held on behalf of a U.S. person and no cash,

securities or other property have been or will be delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person in connection with such exercise and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States of America as set out in the applicable Final Terms; and

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

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

Late Delivery and Non-delivery of Collection Notice

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

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

Verification of the Holder

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

Redemption

Cash Settled Certificates

26.05 Subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate by credit or transfer to the Holder's account with the relevant Clearing System for value on the Redemption Date less any Expenses, such payment to be made in accordance with the rules of the relevant Clearing System. The Issuer will be discharged by payment to, or to the order of the relevant Clearing System in respect of the amount so paid. Each of the persons shown in the records of the relevant Clearing System as the holder of a

particular number of the Certificates must look solely to such Clearing System for his share of each such payment so made to, or to the order of such Clearing System.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

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

Physical Delivery Certificates

26.06 Subject to payment of any Expenses with regard to the relevant Certificates, the Issuer shall deliver, or procure the delivery of, the Entitlement for each Certificate in respect of which a valid Collection Notice has been delivered as provided in Condition 26.01 pursuant to the details specified in the Collection Notice subject as provided in Condition 4.

The Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

Determinations

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

If such Collection Notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Issuing and Paying Agent, it shall be deemed to be a new Collection Notice submitted at the time such correction was delivered to the relevant Clearing System, and copied to the Issuing and Paying Agent and the Issuer.

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

27. Additional Amounts

Calculation of Additional Amounts

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

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

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

Accrual of Additional Amount

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

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

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

Payment of Additional Amounts

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

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

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

Definitions

27.04 “30/360 (Floating)” or “360/360” or “Bond Basis” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount 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 Additional Amount Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30.

“30E/360” or “Eurobond Basis” means the number of days in the Additional Amount Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount 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 Additional Amount Period, unless such number would be 31, in which case D₂ will be 30.

“30E/360 (ISDA)” means the number of days in the Additional Amount 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 Additional Amount Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Additional Amount Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Additional Amount Period falls;

“D₁” is the first calendar day, expressed as a number, of the Additional Amount Period, unless (a) that day is the last day of February or (b) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Additional Amount Period, unless (a) that day is the last day of February but not the Exercise Date or (b) such number would be 31, in which case D₂ will be 30.

“Actual/360” means the actual number of days in the Additional Amount Period divided by 360.

“Actual/Actual (ISDA)” means the actual number of days in the Additional Amount Period divided by 365 (or, if any portion of that Additional Amount Period falls in a leap year, the sum of (a) the actual number of days in that portion of the Additional Amount Period falling in a leap year divided by 366; and (b) the actual number of days in that portion of the Additional Amount Period falling in a non-leap year divided by 365).

“Actual/365 (Fixed)” means the actual number of days in the Additional Amount Period divided by 365.

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

Notional Amount per Certificate x Additional Amount Rate x Additional Amount Rate Day Count Fraction.

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

28. Credit Linked Certificates

Provisions relating to the redemption of Credit Linked Certificates will be set out in the applicable Final Terms.

29. Index Linked Certificates

29.01 If the Certificates are specified as Index Linked Certificates in the applicable Final Terms, then the provisions of this Condition 29 apply.

Adjustments to an Index and Additional Disruption Events

Successor Index Sponsor Calculates and Reports an Index

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

Modification and Cessation of Calculation of an Index

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

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

(B) on giving notice to the Holders in accordance with Condition 10, cancel the Certificates. If the Certificates are so cancelled, the Issuer will pay an amount to each Holder in respect of each Certificate or Unit, as the case may be, held by it which amount shall be the fair market value of a Certificate or a Unit, as the case may be, taking into account the Index Adjustment Event, together with accrued Additional Amounts (if applicable), less the cost to the

Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

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

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

(B) give notice to the Holders in accordance with Condition 10 and cancel all, but not some only, of the Certificates, and pay any amount to each Holder in respect of each Certificate or Unit, as the case may be, held by it which amount shall be the fair market value of a Certificate or a Unit, as the case may be, taking into account the Additional Disruption Event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or

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

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

Correction to an Index

29.07 In the event that any price or level published by the relevant Index Sponsor or Successor Index Sponsor which is utilised for any calculation or determination made for the purposes of the Certificates is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Certificates to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor or Successor Index

Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange, or if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, Settlement Date or the relevant Additional Amount Payment Date to make such adjustment prior to the Redemption Date, Settlement Date or the relevant Additional Amount Payment Date, as the case may be.

29.08 Definitions applicable to Index Linked Certificates

“Additional Disruption Event” means Change in Law, Hedging Disruption, Increased Cost of Hedging, or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

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

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for the purposes of determining the relevant Reference Level. If through operation of this provision no Averaging Date would occur, then for the purposes of determining the Reference Level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms, then for the purposes of determining the Reference Level, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked Certificates; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Certificates relate to a single Index, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Level for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the Certificates relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an **“Affected**

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

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

"Basket of Indices" means a basket comprising two or more indices specified in the applicable Final Terms in the relevant Weightings 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 sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant security comprised in an Index or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

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

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

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

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

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

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

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

“Index Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

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

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

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

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

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

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

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

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

- (ii) where the relevant Index is specified in the applicable Final Terms as being a Multi-Exchange Index either:
 - (a) the occurrence or existence, in respect of any Component Security, of:
 - (x) a Trading Disruption which the Calculation Agent determines is material, at any time during the one hour period that ends at the

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

As used above:

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

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

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

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

weightings as published by the relevant Index Sponsor as part of the market “opening data” immediately before the occurrence of such Market Disruption Event.

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

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

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

respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

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

“Reference Level” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

- (i) where the Certificates are specified in the applicable Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Settlement Currency) equal to the official closing level of the Index as calculated and published by the Index Sponsor or Successor Index Sponsor on the relevant date (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent at such Valuation Time on the relevant date) or as otherwise determined by the Calculation Agent subject as provided in this Condition 29; and
- (ii) where the Certificates are specified in the applicable Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as published by the Index Sponsor or Successor Index Sponsor on the relevant date, (or if a Valuation Time other than the Scheduled Closing Time is specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent at such Valuation Time on the relevant date), or as otherwise determined by the Calculation Agent subject as provided in this Condition 29, multiplied by the relevant Weighting specified in the applicable Final Terms.

“Related Exchange” means, subject to the proviso below, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable 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.

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

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

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

“Scheduled Trading Day” means:

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

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

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

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

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

set out or if not so practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Conditions 29.02, 29.03 and 29.07) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day (as defined in Condition 30.05 in relation to the share) has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value of the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

“Valuation Time” means:

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

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

30. Equity Linked Certificates

30.01 If the Certificates are specified as Equity Linked Certificates in the applicable Final Terms, the provisions of this Condition 30 shall apply.

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

30.02 (i) If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any

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

- (A) (1) require the Calculation Agent to make the corresponding adjustment, if any, to any one or more of the terms of these Terms and Conditions and/or the applicable Final Terms, in each case, as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) and (2) determine the effective date of that adjustment; or
- (B) on giving notice to the Holders in accordance with Condition 10, cancel or redeem all, but not some only, of the Certificates, and pay an amount to each Holder in respect of each Certificate or Unit, as the case may be, held by it, which amount shall be the fair market value of a Certificate or Unit, as the case may be, taking into account the relevant event, together with accrued Additional Amounts (if applicable), less the cost to the Hedging Entity of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion, payment being made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (C) if the applicable Final Terms provide that “**Equity Substitution**” is applicable, then on or after the relevant Potential Adjustment Event, the Calculation Agent may select one or more equities (each a “**Substitute Equity**”) in accordance with the Equity Substitution Criteria to substitute in place of the Equity or Equities (each an “**Affected Equity**”) which are affected by such Potential Adjustment Event and each Substitute Equity will be deemed to be an “Equity” and the relevant issuer of such equities, a “Equity Issuer” for the purposes of the Certificates, and the Calculation Agent will make such adjustment, if any, to any of the terms of the Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate.

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

Upon making an adjustment pursuant to Condition 30.02(i)(A), the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the adjustment made to the terms of these Conditions and/or the applicable 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 such adjustment.

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

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

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

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

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

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

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

(iv) Non-Euro Quoted Equities

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

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

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

Partial Lookthrough Depositary Receipt Provisions

30.03 Where the applicable Final Terms specify that the "Partial Lookthrough Depositary Receipt Provisions" shall apply to an Equity, then the provisions set out in this Condition 30.03

shall apply, and, in relation to such Equity, the other provisions of this Condition 30 shall be deemed to be amended and modified as set out in this Condition 30.03.

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

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

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

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

If the Calculation Agent determines that:

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

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

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

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

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

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

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

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

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

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

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

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

Full Lookthrough Depositary Receipt Provisions

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

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

“Potential Adjustment Event” means any of the following:

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

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

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

If the Calculation Agent determines that:

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

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

Agent shall (among other factors) have reference to any adjustment made by the Depository under the Deposit Agreement.

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

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

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

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

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

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

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

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

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

30.05 Definitions applicable to Equity Linked Certificates

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing or any other Additional Disruption Event, in each case if specified in the applicable Final Terms.

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

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If through the operation of this provision, no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms then, for purposes of determining the Reference Price, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Certificates; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Certificates relate to a single Equity, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date, that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (i) that eighth Scheduled Trading Day for the Equity shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (ii) the Calculation Agent shall determine the Reference Price for that Averaging Date in accordance with sub paragraph (i)(B) of the definition of “Valuation Date” below; or
 - (B) where the Certificates relate to a Basket of Equities, the Averaging Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and the Averaging Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected**

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

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

“Basket of Equities” means a basket composed of the Equities specified in the applicable Final Terms in the relative Weightings or numbers of Equities 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 sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Equity or (Y) the Issuer will incur a materially increased cost in performing its obligations in relation to the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any Hedging Entity).

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

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

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

“Depositary” means, where the relevant Final Terms specifies that (a) the “Partial Lookthrough Depositary Receipt Provisions” shall apply to the Equity, the Equity Issuer or any successor

issuer of the Equities from time to time or (b) the “Full Lookthrough Depository Receipt Provisions” shall apply to an Equity or the Equity Issuer.

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

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

“DR Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

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

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

“Equity Substitution Criteria” means the criteria specified as such in the applicable Final Terms.

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

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

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

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

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

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer

(a) all the Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.

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

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

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

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

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

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) relating to the Equity on the Exchange; or
 - (y) in futures or options contracts relating to the Equity on any relevant Related Exchange; or
 - (B) any event (other than as described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions, in or obtain market values for, the Equities on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Equity on any relevant Related Exchange, which in either case the Calculation Agent determines is material; or
- (ii) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders

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

- (iii) any other event specified 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.

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

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

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

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

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

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

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

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

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

“Reference Price” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

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

“Related Exchange” means, in relation to an Equity, each exchange or quotation system specified as such in relation to such Equity in the applicable 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 Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where ‘All Exchanges’ is specified as the Related Exchange in the applicable 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 Equity.

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

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

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

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

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

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

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

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

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

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

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

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

occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (A) the eighth Scheduled Trading Day for the Affected Equity shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall where practicable, determine the Reference Price using, in relation to the Affected Equity, a price determined in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the value of the Affected Equity as of the Valuation Time on that eighth Scheduled Trading Day.

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

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

31. Fund Linked Certificates

If the Certificates are specified as Fund Linked Certificates in the applicable Final Terms, the provisions of Condition 32 shall apply if the Reference Funds are not ETFs (as defined in Condition 33.08) and the provisions of Condition 33 shall apply if the Funds are ETFs.

32. Provisions relating to Funds other than Exchange Traded Funds

Consequences of Fund Events

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

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

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

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

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

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

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

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

- (c) **“Fund Extraordinary Event”** means each of the following events:
- (A) Nationalisation: **“Nationalisation”** means that all the Fund Interests or all or substantially all the assets of a Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
 - (B) Insolvency: **“Insolvency”** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (x) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (y) holders of the Fund Interests of that Fund become legally prohibited from transferring or redeeming them;
 - (C) Fund Insolvency Event: **“Fund Insolvency Event”** means a Fund or relevant Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C) (x) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (y) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (x) above and either (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or

any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (E) and (F) above;

- (D) NAV Trigger Event: “**NAV Trigger Event**” means that (x) the aggregate net asset value of a Fund has decreased by an amount equal to or greater than the NAV Trigger since the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or (y) a Fund has violated any leverage restriction that is applicable to, or affecting, it or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the relevant Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (E) Adviser Resignation Event: “**Adviser Resignation Event**” means the resignation, termination of appointment, or replacement of a Fund's Fund Adviser;
- (F) Fund Modification: “**Fund Modification**” means any change or modification of the relevant Fund Documents that could reasonably be expected to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent) from those prevailing on the Trade Date or, in respect of a Replacement Fund Interest, the relevant replacement date; or the imposition of any fees or charges in relation to redemptions, subscriptions or transfers of Fund Interests;
- (G) Strategy Breach: “**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the relevant Fund Documents that is reasonably likely to affect the value of a Fund Interest or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent); or any change of the nature of a Fund, including but not limited to the type of investments, the duration, the credit risk and diversification of the investments to which that Fund is exposed, which, in the opinion of the Calculation Agent, results in a material deterioration of the risk profile of that Fund;
- (H) Regulatory Action: “**Regulatory Action**” means (x) the cancellation, suspension or revocation of the registration or approval of a Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund, (y) any change in the legal, tax, accounting, or regulatory treatments of a Fund or its Fund Adviser that is reasonably likely to have an adverse impact on

the value of the related Fund Interest or on any investor therein (as determined by the Calculation Agent), or (z) a Fund or any of its Fund Administrator or Fund Adviser becoming subject to investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund Administrator or Fund Adviser;

- (I) Reporting Disruption: “**Reporting Disruption**” means (x) occurrence of any event affecting a Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest in respect of a Scheduled Fund Valuation Date or a Scheduled Fund Redemption Valuation Date, and such event continues for at least two consecutive Scheduled Fund Valuation Dates or Scheduled Fund Redemption Valuation Dates, as the case may be or any other Reporting Disruption Period specified in the applicable Final Terms; (y) any failure of a Fund to deliver, or cause to be delivered, (A) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, including, but not limited to, information to determine the occurrence of a Fund Event and the annual audited financial report and semi-annual financial report, if any, in relation to the related Fund Interests, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the related Fund Interests;
- (J) Fund Service Provider Cessation: “**Fund Service Provider Cessation**” means that one or more Fund Service Provider(s) in respect of a Fund ceases to provide the service as outlined in the relevant Fund Documents prevailing on the Trade Date or, where the related Fund Interest is a Replacement Fund Interest, the relevant replacement date, and any such Fund Service Provider is not immediately replaced by another service provider acceptable to the Calculation Agent;
- (K) Fund Administrator Disruption: “**Fund Administrator Disruption**” means any event or circumstances compromising the independence of a Fund Administrator performing services for a Fund from the relevant Fund Adviser; or
- (L) Related Agreement Termination: “**Related Agreement Termination**” means a Fund or any of its Fund Administrator or Fund Adviser is in breach of or has terminated any existing

agreement with the Calculation Agent in respect of, but not limited to, retrocession, dealing fees, liquidity and licensing.

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

- (i) require the Calculation Agent to make such determinations and/or adjustments to the Terms and Conditions and/or the applicable Final Terms as it determines in its sole and absolute discretion appropriate to account for the Fund Event, which may include, without limitation:
 - (a) delaying any calculation, determination or related payment date under the Certificates until it determines that no Fund Event exists;
 - (b) calculating the value of the relevant Fund Interest(s) and/or replacing the relevant Fund Interest(s) (the “**Affected Fund Interest**”) with one or more replacement fund interests (each a “**Replacement Fund Interest**”) with a value as determined by the Calculation Agent equal to the Removal Value for the Affected Fund Interest and in a fund which in the determination of the Calculation Agent has similar characteristics, investment objectives and policies to those applicable to the Fund in respect of the Affected Fund Interest immediately prior to the occurrence of the Fund Event; or
- (ii) on giving notice to the Holders in accordance with Condition 10, cancel the Certificates. If the Certificates are so cancelled the Issuer will pay an amount to each Holder in respect of each Certificate or Unit, as the case may be, held by it which amount shall be the fair market value of a Certificate or Unit, as the case may be, taking into account the Fund Event, less the cost to Hedging Entity of unwinding any underlying related hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion.

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

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

Fund Potential Adjustment Events

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

- (i) a subdivision, consolidation or reclassification of relevant Fund Interests or a free distribution or dividend of any such Fund Interests to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Fund Interests of (A) such Fund Interests or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the related Fund

- equally or proportionately with such payments to holders of such Fund Interests or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the related Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
 - (iv) a repurchase by a Fund of relevant Fund Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise other than where such repurchase is a redemption of Fund Interests initiated by an investor in such Fund Interests and consistent with the relevant Fund Documents; or
 - (v) any other event that may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of relevant Fund Interests.

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

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

32.05 Definitions (Funds other than Exchange Traded Funds)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Valuation Date” means each Valuation Date specified in the applicable Final Terms.

“Valuation Time” means the time specified in the applicable Final Terms.

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

33. Provisions relating to Exchange Traded Funds

Market Disruption

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

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

of the level of the relevant Underlying Index, or (C) to effect transactions in, or obtain market values for, futures or options contracts relating to such Fund Shares or the relevant Underlying Index on any relevant Related Exchange,

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

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

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

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

Potential Adjustment Event

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

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

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

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

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

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

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

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

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an ETF, (i) all the

Fund Shares of that ETF are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Shares of that ETF become legally prohibited from transferring them.

“Material Underlying Event” means any of the following:

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

as determined by the Calculation Agent.

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

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

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

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

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

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

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

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

33.06 Correction of the Reference Price

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Certificates is subsequently corrected, the Calculation Agent will

in its sole and absolute discretion adjust the terms of the Certificates to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Fund Share would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Redemption Date, the Settlement Date or the Specified Additional Amount Payment Date, as the case may be, to make such adjustment prior to such relevant date.

Additional Disruption Events

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

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

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

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

“**Insolvency Filing**” means that the ETF institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or

liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the ETF shall not be deemed an Insolvency Filing.

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

33.08 Definitions (Exchange Traded Funds)

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

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

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

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

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

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

“**Exchange**” means, in relation to a Fund Share, the exchange or principal trading market for such ETF specified in the applicable Final Terms, any successor to such exchange or quotation

system or any substitute exchange or quotation system to which trading in the Fund Shares in respect of such ETF has temporarily relocated.

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

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

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

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

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

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

“Reference Price” means, unless otherwise specified in the applicable Final Terms and in respect of a Valuation Date, Observation Date or Averaging Date:

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

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

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

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

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

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

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

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

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

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

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

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

34. Commodity Linked Certificates

If the Certificates are specified as Commodity Linked Certificates in the applicable Final Terms, then the provisions of this Condition 34 shall apply.

34.01 Market Disruption Event and Disruption Fallback

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

(a) Market Disruption Event

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

- (i) with respect to all Commodities:
 - (A) Price Source Disruption;
 - (B) Commodity Trading Disruption;
 - (C) Disappearance of Commodity Reference Price; and
 - (D) any additional Market Disruption Events specified in the applicable Final Terms; and
- (ii) with respect to all Commodities other than gold, silver or platinum:
 - (A) Material Change in Formula;
 - (B) Material Change in Content; and
 - (C) any additional Market Disruption Events specified in the applicable Final Terms; and
- (iii) with respect to a Commodity Index:

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

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Relevant Price in respect of a specified Commodity Reference Price when a Market Disruption Event occurs or exists on a day that is a Pricing Date in respect of the Certificates. 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, shall mean:

- (A) with respect to a relevant Commodity (in the following order):
 - I Fallback Reference Price (if applicable);
 - II. Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date)) provided, however, that the price determined by Postponement shall be the Relevant Price only if Delayed Publication or Announcement does not yield a Relevant Price within those two consecutive Commodity Business Days; and
 - III. Calculation Agent Determination;
- (B) with respect to a Commodity Index the Calculation Agent shall determine the Relevant Price:
 - (a) using:

- (i) with respect to each futures contract included in the Commodity Index which is not affected by the Market Disruption Event, the closing prices of each such contract on the applicable determination date; and
- (ii) with respect to each futures contract included in the Commodity Index which is affected by the Market Disruption Event, the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract; or

(b) as specified in the applicable Final Terms.

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

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

34.02 Adjustments to a Commodity Index

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

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

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

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for or the method of calculating a relevant Commodity Index or in any other way materially modifies that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of

(i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) and (iii) to be collectively referred to as “**Index Adjustment Events**”) (provided that the Calculation Agent may, in its sole and absolute discretion, determine that event (iii) shall not be an Index Adjustment Event but (y) shall fall within paragraph (i) of the proviso to the definition of Price Source specified in Condition 34.06, or (z) shall be a Market Disruption Event in respect of such Commodity Index) calculate the Relevant Price using in lieu of the published level for that Commodity Index, the level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

34.03 Correction to Published Prices

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

34.04 Common Pricing

If with respect to Commodity Linked Certificates relating to a Basket of Commodities, “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 Securities as of the Issue Date; or
- (ii) “Not Applicable” then, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on the Pricing Date in respect of any relevant Commodity and/or Commodity Index (each an “**Affected Commodity**”), the Relevant Price of each Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Price for each Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Price.

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

34.05 Commodity Reference Prices

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

Agricultural products:

(a) Cocoa

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

(b) Coffee

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

(c) Corn

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

(d) Cotton

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

(e) Livestock

(i) “**LEAN HOGS-CME**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade lean value hog carcasses on CME of the First Nearby Month Lean Hogs Futures Contract or if the Pricing Date falls on or after the second Commodity Business Day immediately preceding the First Notice Date, the Second Nearby Month Lean Hogs Futures Contract, stated in U.S. cents, as made public by CME and displayed on the Price Source on that Pricing Date.

(ii) “**LIVE CATTLE-CME**” means that the price for a Pricing Date will be that day's settlement price per pound of deliverable grade live steers on CME of the First

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

(f) Soybeans

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

(g) Sugar

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

(h) Wheat

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

Oil and Energy

(a) Natural Gas (Henry Hub)

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

(b) Oil (WTI)

“OIL-WTI-NYMEX” means that the price for a Pricing Date will be that day's settlement price per barrel of deliverable grade West Texas Intermediate light sweet crude oil on NYMEX of the First Nearby Month WTI Futures Contract, stated in U.S. Dollars, as made public by NYMEX and displayed on the Price Source on that Pricing Date.

(c) Oil (Brent)

“**OIL-BRENT-IPE**” means that the price for a Pricing Date will be that day's settlement price per metric barrel of deliverable grade Brent blend crude oil on ICE of the First Nearby Month Brent Futures Contract stated in U.S. Dollars as made public by ICE and displayed on the relevant Price Source on that Pricing Date.

Precious Metals:

(a) Gold

“**GOLD-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Gold fixing price per troy ounce of Gold for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. Dollars, as calculated by the London Gold Market and displayed on the relevant Price Source on that Pricing Date.

(b) Platinum

“**PLATINUM-P.M. FIX**” means that the price for a Pricing Date will be that day's afternoon Platinum fixing price per troy ounce gross of Platinum for delivery in Zurich through a member of LPPM authorized to effect such delivery, stated in U.S. Dollars, as calculated by LPPM and displayed on the relevant Price Source on that Pricing Date.

(c) Silver

“**SILVER-FIX**” means that the price for a Pricing Date will be that day's Silver fixing price per troy ounce of Silver for delivery in London through a member of LBMA authorized to effect such delivery, stated in U.S. cents, as calculated by the London Silver Market and displayed on the relevant Price Source on that Pricing Date.

Base Metals

(a) Aluminium

“**ALUMINIUM-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of High Grade Primary Aluminium on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(b) Copper

“**COPPER-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Copper Grade A on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(c) Lead

“**LEAD-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Standard Lead on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(d) Nickel

“**NICKEL-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Primary Nickel on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

(e) Zinc

“**ZINC-LME CASH**” means that the price for a Pricing Date will be that day's settlement price per tonne of Special High Grade Zinc on LME deliverable in two days, stated in U.S. Dollars, as determined by LME and displayed on the Price Source on that Pricing Date.

34.06 Definitions

“**Basket of Commodities**” means a basket comprising Commodities in their relative proportions or numbers of Commodities, as specified in the applicable Final Terms.

“**Bloomberg Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on the Bloomberg service (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Calculation Agent Determination**” means that the Calculation Agent will determine the Relevant Price (or method for determining the Relevant Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.

“**CBOT**” means the Chicago Board of Trade or its successor.

“**CME**” means the Chicago Mercantile Exchange or its successor.

“**COMEX**” means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“**Commodity**” and “**Commodities**” means subject to adjustment in accordance with these Conditions, in the case of an issue of Commodity Linked Certificates relating to a Basket of Commodities, each commodity and, in the case of an issue of Commodity Linked Certificates relating to a single commodity, the commodity, in each case specified in the applicable Final Terms and related expressions shall be construed accordingly.

“**Commodity Business Day**” means, in respect of each Commodity, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such relevant Exchange closing prior to its scheduled closing time.

“**Commodity Index**” means, subject to adjustment in accordance with these Conditions, an index comprising various commodities or commodity prices, as specified in the applicable Final Terms.

“Commodity Index Cut-Off Date” means, in respect of a Pricing Date (or, if different, the day on which the price for that Pricing Date would, in the ordinary course, be published by the Price Source) the date specified in the applicable Final Terms, or if not so specified, the day falling two Business Days immediately preceding the date of payment, of the amount calculated in respect of such Pricing Date (or other date as aforesaid), provided that the Commodity Index Cut-Off Date shall not fall earlier than the original date on which such Pricing Date is scheduled to fall (unless otherwise provided in the applicable Final Terms).

“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 closing price or level of such Commodity Index.

“Commodity Trading Disruption” means the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange.

“Delayed Publication or Announcement” means that the Relevant Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Price continues to be unavailable for two consecutive Commodity Business Days. In that case, the next Disruption Fallback (as defined below) specified in the applicable Final Terms will apply.

“Delivery Date” means the date specified in the applicable Final Terms.

“Disappearance of Commodity Reference Price” means:

- (i) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange;
- (ii) the disappearance of, or of trading in, the Commodity; or
- (iii) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price,

notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Commodity.

“Exchange” means in relation to a Commodity, the exchange or principal trading market specified as such for such Commodity in the applicable Final Terms or Commodity Reference Price.

“Fallback Reference Price” means that the Calculation Agent will determine the Relevant Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Market Disruption Event.

“First Notice Date” means, in respect of a Futures Contract, the first date after which a party to the contract may be required to deliver or take possession of, as applicable, the specified amount

of the underlying commodity in respect of such Futures Contract as determined by the relevant Exchange.

“Futures Contract” means, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Commodity Reference Price.

“Gold” means gold bars or unallocated gold complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“ICE” means the Intercontinental Exchange, or its successor.

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

“LBMA” means The London Bullion Market Association or its successor.

“LME” means The London Metal Exchange Limited or its successor.

“London Gold Market” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Gold.

“London Silver Market” means the market in London on which members of LBMA, amongst other things, quote prices for the buying and selling of Silver.

“LPPM” means The London Platinum and Palladium Market in London on which members quote prices for the buying and selling of Platinum and Palladium.

“Material Change in Content” means the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

“Material Change in Formula” means the occurrence since the Trade Date of a material change in the formula for or the method of calculating the relevant Commodity Reference Price.

“MMBTU”, “MMBtu” and “mmbtu” each means one million British thermal units.

“Nearby Month” when preceded by a numerical adjective, means, in respect of a Delivery Date and a Pricing Date, the month of expiration of the Futures Contract identified by the numerical adjective, so that, for example, (i) **“First Nearby Month”** means the month of expiration of the first Futures Contract to expire following that Pricing Date and (ii) **“Second Nearby Month”** means the month of expiration of the second Futures Contract to expire following that Pricing Date etc.

“NYBOT” means the New York Board of Trade or its successor.

“NYMEX” means NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.

“Palladium” means palladium ingots or plate or unallocated palladium complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Platinum” means platinum ingots or plate or unallocated platinum complying with the rules of LPPM relating to good delivery and fineness from time to time in effect.

“Postponement” means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next Disruption Fallback specified in the definition of Disruption Fallback below will apply.

“Price Source” means the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) specified in the specified Commodity Reference Price or otherwise in the applicable Final Terms (provided that in respect of a Commodity Index, if the relevant Commodity Reference Price is not published on such Price Source, the Calculation Agent may, in its sole and absolute discretion, (i) use a successor page or publication or alternative source as it considers appropriate, (ii) determine that such non-publication is a Market Disruption Event in respect of such Commodity Index, or (iii) determine that such non-publication is an Index Adjustment Event in respect of the Commodity Index.

“Price Source Disruption” means:

- (i) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price (or, if there is no Specified Price for a Commodity Reference Price, such Commodity Reference Price); or
- (ii) the temporary or permanent discontinuance or unavailability of the Price Source.

For these purposes:

- (a) a suspension of the trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if:
 - (i) all trading in the Futures Contract or the Commodity is suspended for the entire Pricing Date; or
 - (ii) all trading in the Futures Contract or the Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (b) a limitation of trading in the Futures Contract or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may

fluctuate and the closing price, settlement price or afternoon fixing price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

“**Pricing Date**” has the meaning given it in the applicable Final Terms.

“**Relevant Price**” means for any Pricing Date, the price, expressed as a price per unit of the Commodity or the price or level of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price calculated as provided in these Conditions and the applicable Final Terms.

“**Reuters**” means Reuters or its successor.

“**Reuters Screen**” means, when used in connection with any designated page and Commodity Reference Price, the display page so designated on Reuters (or such other page as may replace that page on that service for the purpose of displaying rates or prices comparable to that Commodity Reference Price).

“**Silver**” means silver bars or unallocated silver complying with the rules of LBMA relating to good delivery and fineness from time to time in effect.

“**Specified Price**” means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source) as specified in the applicable 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; (M) the afternoon fixing; (N) the spot price; or (O) any other price specified in the applicable Final Terms.

35. Currency Linked Certificates

If the Certificates are specified as Currency Linked Certificates in the applicable Final Terms then the provisions of this Condition 35 shall apply.

35.01 Definitions applicable to Currency Linked Certificates

“**Averaging Date**” means each date specified as an Averaging Date in the applicable Final Terms.

“**Currency Price**” means, in relation to each Certificate or, in the case of Exercisable Certificates, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the Currency Price specified in the applicable Final Terms, or if not so specified in the applicable Final Terms:

- (i) in the case of Currency Linked Certificates relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency as the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base

Currency for which one unit of the Subject Currency can be exchanged), multiplied by the relevant Weighting; and

- (b) in the case of Currency Linked Certificates relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the FX Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged).

“FX Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of a FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres specified in the applicable Final Terms.

“FX Disrupted Day” means any FX Business Day on which a FX Market Disruption Event occurs.

“FX Market Disruption Event” means the occurrence or existence, as determined by the Calculation Agent in its sole and absolute discretion, of any FX Price Source Disruption, any FX Trading Suspension or Limitation and/or any Inconvertibility Event, in each case if specified in the applicable Final Terms, and/or any other event specified as applicable in the applicable Final Terms.

“FX Price Source(s)” means, in respect of a Subject Currency, the price source(s) specified in the applicable Final Terms for such Subject Currency or if the relevant rate is not published or announced by such FX Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

“FX Price Source Disruption” means it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price on the Averaging Date or Valuation Date or, if different, the day on which rates for that Averaging Date or Valuation Date, as the case may be, would in the ordinary course be published or announced by the relevant FX Price Source.

“FX Trading Suspension or Limitation” means the suspension of and/or limitation of trading in the currencies required to calculate the relevant Currency Price in the Interbank Market provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

“Inconvertibility Event” means the occurrence, as determined by the Calculation Agent in its sole and absolute discretion, of any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (i) the convertibility of the relevant Subject Currency into the Base Currency, or (ii) the

transfer of the Subject Currency or the Base Currency to countries other than the countries for which the Subject Currency or the Base Currency, as the case may be, is the lawful currency (including without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the Base Currency into the Subject Currency); and

- (ii) results in the unavailability of any relevant Base Currency or Subject Currency in the interbank foreign exchange market in any Specified Financial Centre(s) in accordance with normal commercial practice.

“Interbank Market” means the over-the-counter foreign exchange spot market open continuously from and including 5.00 a.m. Sydney time on a Monday in any week to and including 5.00 p.m. New York time on the Friday of such week.

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

“Specified Financial Centre(s)” means the financial centre(s) specified in the applicable Final Terms.

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

“Valuation Cut-Off Date” means the Valuation Cut-Off Date specified in the applicable Final Terms.

“Valuation Date” means each date specified as such in the applicable Final Terms or if that is not FX Business Day the first FX Business Day thereafter unless, in the opinion of the Calculation Agent such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then:

- (i) where the Currency Linked Certificates relate to a single Subject Currency, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date; or
- (ii) where the Currency Linked Certificates relate to a Basket of Subject Currencies, the Valuation Date for each Subject Currency not affected by the occurrence of an FX Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Subject Currency affected (each an **“Affected Subject Currency”**) by the occurrence of an FX Disrupted Day shall be the first succeeding FX Business Day that is not an FX Disrupted Day relating to the Affected Subject Currency, unless each of the FX Business Days immediately following the

Scheduled Valuation Date up to and including the Valuation Cut-Off Date is an FX Disrupted Day relating to the Affected Subject Currency. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Subject Currency (notwithstanding the fact that such day is an FX Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price using, in relation to the Affected Subject Currency, a price 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 price for the Affected Subject Currency as of the Valuation Time on the Valuation Cut-Off Date, and otherwise in accordance with the above provisions.

“Valuation Time” means the Valuation Time specified in the applicable Final Terms.

FORM OF FINAL TERMS OF THE CERTIFICATES

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

Final Terms dated •

[Logo]

ROYAL BANK OF CANADA

(a Canadian chartered bank)

Issue of [Title of Certificates]
under the U.S.\$40,000,000,000 Programme for the Issuance of Securities

[Notice Regarding Offers in the EEA

[Except as provided in sub-paragraph (ii) below, any offer of Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly, any person making or intending to make an offer of the Certificates may only do so:

- (i) in that Relevant Member State in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 47 of Part A below, provided such person is one of the persons mentioned in Paragraph 47 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances.]¹

[Any offer of Certificates in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a Member State) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Certificates. Accordingly, any person making or intending to make offer in that Relevant Member State of the Certificates may only do

¹ Include this legend only where there is a non-exempt offer of Certificates anticipated.

so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Certificates in any other circumstances.]^{2]}

[Insert any specific additional risk factors, if appropriate]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated • [and the supplemental Prospectus[es] dated •]³ which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Prospectus[es]], together with all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.]

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

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [*original date*] [and the supplemental Prospectus[es] dated [●]] which are incorporated by reference in the Base Prospectus dated [*current date*] [and the supplemental Prospectus[es] dated [●]] and are attached below. This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Prospectus[es] dated [●]]³, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the [Base Prospectus] dated [current date] [and the supplemental Prospectus[es] dated •]. The [Base Prospectus] [and the supplemental Prospectus[es]] are available for viewing on the of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal

² Include this legend only where there is an exempt offer of Certificates anticipated.

³ Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.]

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

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive. [If so, to avoid withdrawal rights applicable to a supplement, one can do a stand-alone prospectus incorporating by reference the Registration and Securities Note elements of the Base Prospectus and including the Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a Summary.]

[By investing in the Certificates each investor represents that:

(a) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Certificates and as to whether the investment in the Certificates is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Certificates, it being understood that information and explanations related to the terms and conditions of the Certificates shall not be considered to be investment advice or a recommendation to invest in the Certificates. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Certificates.

(b) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Certificates. It is also capable of assuming, and assumes, the risks of the investment in the Certificates.

(c) Status of Parties. Neither the Issuer nor any Dealer is acting as fiduciary for or adviser to it in respect of the investment in the Certificates.]

1. Issuer: Royal Bank of Canada
- [] [Main Toronto Branch located at 200 Bay Street, Toronto, Ontario, Canada] [London Branch]
2. [(i)] Series Number: []

* London Branch should not issue Exercisable Certificates with Additional Amounts payable or Exercisable Certificates subject to Physical Delivery.

- [(ii) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Certificates become fungible).]
3. Type of Certificates: (a) [Redeemable Certificates / Exercisable Certificates / Open-Ended Certificates]
- (b) [Index Linked Certificates / Equity Linked Certificates / Currency Linked Certificates / Commodity Linked Certificates / (specify other type of Certificate)]
4. Issue Date: []
5. [(a)] Number of Certificates being issued: The number of Certificates being issued is []
- [(b)] Total Number of Certificates in issue: The total number of Certificates in issue is []
- (NB: Only applicable for fungible issues of Certificates)
6. Business Day Centre(s): [The applicable Business Day Centre(s) for the purposes of the definition of “**Business Day**” in Condition 3 [is/are] [•]]
7. Settlement: Settlement will be by way of [cash payment (“**Cash Settled**”)] [and/or] [physical delivery (“**Physical Delivery**”)]
8. Cash Settlement Amount: [Insert details of how Cash Settlement Amount is to be calculated]
- (NB: The calculation of this amount for Exercisable Certificates cannot include set-off of any Exercise Price)
- [Identify “**Protection Amount**” if any]
9. Issuer’s Option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Certificates
10. Settlement Currency: []

11. Exchange Rate: The Exchange Rate for conversion of any amount into the relevant Settlement Currency for purposes of determining the Cash Settlement Amount is [*insert rate of exchange and details of how and when such rate is to be ascertained*]/[*specify*]/Not Applicable]
12. Calculation Agent (and address): [●]
13. Issue Price: The issue price per [Certificate / Unit (in relation to Exercisable Certificates only)] is []
14. Minimum Trading Size: [Applicable/Not Applicable] [[] Units / Certificates]

PROVISIONS RELATING TO EXERCISABLE CERTIFICATES

15. Type of Certificates: [European/American/*other* Style/Open-Ended Certificates]
- [If American Style:
- The Exercise Period in respect of the Certificates is from and including [] to and including [] or if [] is not an Exercise Business Day, the immediately succeeding Exercise Business Day]
- [If European Style:
- The Exercise Date in respect of the Certificates is [], provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.]
- [If Open Ended Certificates:
- The Exercise Date[s] in respect of the Certificates [is/are] [], provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day.]
16. Settlement Date: (i) [In relation to each Actual Exercise Date (*Insert for American Style Certificates or Open Ended Certificates*)], [the [fifth] Business Day following the [final] [last occurring] date for valuation (howsoever described) in respect of

[a/the] [insert relevant Reference Item(s)]
[other]

(N.B. Only applicable in relation to Cash Settled Certificates)

[]

(ii) “**Settlement Business Day**” means [any day on which [insert details of clearing system for delivery of Entitlement] (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions].

(N.B. Only applicable in the case of Physical Delivery Certificates)

[other]

17. Units:

[Certificates must be exercised in Units. Each Unit consists of [●] Certificates. (N.B. This is in addition to any requirements relating to “Minimum Exercise Number” or “Maximum Exercise Number” set out below). / Not Applicable]

18. Automatic Exercise:

Automatic exercise [applies/does not apply] to the Certificates.

19. Minimum Exercise Number:

The minimum number of Certificates that may be exercised on any day by any Holder is [] [and Certificates may only be exercised in integral multiples of [] Certificates in excess thereof].

20. Maximum Exercise Number:

The maximum number of Certificates that must be exercised on any day by any Holder or group of Holders (whether or not acting in concert) is []. (N.B. not applicable for European Style Certificates)

21. Additional Amounts:⁴ [Applicable/Not Applicable]

[If Applicable:

- (i) Notional Amount per Certificate: []
- (ii) Additional Amount Payment Dates: [Each Additional Amount Accrual Date / *specify other*] or, if later, the [fifth] Business Day next following [last occurring] [final] date for valuation (howsoever described) of [a/the] [*insert relevant Reference Item(s)*] for purposes of calculating additional amount in respect of the relevant Additional Amount Period.
- (iii) Additional Amount Accrual Dates: []
- (iv) Additional Amount Rate: []
- (v) Additional Amount Rate Day Count Fraction: [Actual/360]
[Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[30/360 (Floating) or 30/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)]
- (vi) Additional Amount Cut-Off Date: [Exercise Date/*specify other*]

(N.B. If additional amount should accrue up to the Settlement Date, specify the scheduled calendar Settlement Date, not Settlement Date, otherwise additional amount will be payable on postponement.)
- (vii) Other terms or special conditions relating to Additional Amounts: []

22. Issuer Call Option: [Applicable/Not Applicable]

[If Applicable:

- (i) Issuer Call Option Notice Period: []

⁴ If the Issuer is Royal Bank of Canada, London Branch, there should be no Additional Amounts payable on Exercisable Certificates. In addition, Exercisable Certificates that pay Additional Amounts should not be issued to UK investors as it is not clear how such instruments would be treated from a UK tax perspective.

(ii) Call Option Date(s): []
(iii) Call Option Cash Settlement: [Applicable/Not Applicable]
[If Applicable:
Call Option Cash Settlement Amount: [● per Certificate/Unit] / [other]

23. Trigger Early Exercise: [Applicable/Not Applicable]

[If Applicable:

(i) Trigger Early Exercise Event: []

(ii) Trigger Early Exercise Date: [Each Additional Amount Payment Date immediately following the relevant Observation Date] / [● Business Days following the relevant Observation Date] / [other]

(iii) Trigger Early Exercise Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Trigger Early Exercise Cash Settlement Amount: [● per Certificate/Unit] / [other]

Trigger Early Exercise Cash Settlement Amount includes amount in respect of accrued additional amounts: [Yes: no additional amount in respect of accrued additional amounts to be paid / No: together with the Trigger Early Exercise Cash Settlement Amount, accrued additional amounts shall also be paid]

PROVISIONS RELATING TO REDEEMABLE CERTIFICATES

24. Redemption Date: (i) [] or, if later, the [second] Business Day next following [last occurring] [final] date for valuation (howsoever described) in respect of [a/the] [insert relevant Reference Item(s)] [other] (N.B. Only applicable in relation to Cash Settled Certificates)

(ii) [] “**Settlement Business Day**” means [any day on which [insert details of clearing system for delivery of Entitlement] (or but for the occurrence of a Settlement Disruption Event would have been) open for the acceptance and execution of settlement instructions. [other]] (N.B. Only applicable in

case of Physical Delivery Certificates)

25. Additional Amounts: [Applicable/Not Applicable]

[If Applicable:

(i) Notional Amount per Certificate: []

(ii) Additional Amount Payment Dates: [Each Additional Amount Accrual Date / *specify other*] or, if later, the [second] Business Day next following the [last occurring] [final] date for valuation (howsoever described) in respect of [a/the] [*insert relevant Reference Item(s)*] for purposes of calculating additional amount in respect of the relevant Additional Amount Period.

(iii) Additional Amount Accrual Dates: []

(iv) Additional Amount Rate: []

(v) Additional Amount Rate Day Count Fraction: [Actual/360]
[Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[30/360 (Floating) or 30/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)]

(vi) Additional Amount Cut-Off Date: [*specify*]

(N.B. If additional amount should accrue up to the Redemption Date, specify the scheduled calendar Redemption Date, not Redemption Date, otherwise additional amount will be payable on postponement.)

(vii) Other terms or special conditions relating to Additional Amounts: []

26. Issuer Call Option: [Applicable/Not Applicable]

[If Applicable:

(i) Issuer Call Option Notice Period: []

(Only applicable if period in Condition 25.02 not appropriate)

(ii) Call Option Date(s): []

(iii) Call Option Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Call Option Cash Settlement Amount: [● per Certificate] / [other]

27. Trigger Early Redemption: [Applicable/Not Applicable]

[If Applicable:

(i) Trigger Early Redemption Event: []

(ii) Trigger Early Redemption Date(s): [Each Interest Payment Date immediately following the relevant Observation Date] / [● Business Days following the relevant Observation Date] / [specify other]

(iii) Trigger Early Redemption Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Trigger Early Redemption Cash Settlement Amount: [● per Certificate] / [other]

Trigger Early Redemption Cash Settlement Amount includes amount in respect of accrued additional amounts: [Yes: no additional amount in respect of accrued additional amounts to be paid / No: together with the Trigger Early Redemption Cash Settlement Amount, accrued additional amounts shall also be paid]]

28. Holder Put Option: [Applicable/ Not Applicable]

[If Applicable:

(i) Holder Put Option Notice Period: []

(Only applicable if period in Condition 25.04 not appropriate)

(ii) Put Option Cash Settlement: [Applicable/Not Applicable]

[If Applicable:

Put Option Cash Settlement Amount: []]

PROVISIONS RELATING TO TYPES OF CERTIFICATES

29. **Multi-Reference Certificates** **Item Linked** [Applicable / Not Applicable]

[if Applicable:

(a) The Certificates are linked to each of

the Reference Items set out in the table below. The Terms and Conditions of the Certificates as amended and/or supplemented by the applicable Final Terms shall be construed on the basis that in respect of each Reference Item the Relevant Conditions set out beside such Reference Item in the table below shall apply as the context admits separately and independently in respect of the relevant Reference Item.

(b)	Reference Item	Relevant Conditions
(1)	[●]	[Condition [●] as amended and/or supplemented by item [●] below applies]
(2)	[●]	[Condition [●] as amended and/or supplemented by item [●] below applies]
(3)	[●]	[Condition [●] as amended and/or supplemented by item [●] below applies]
(c)	<i>[Insert additional terms and conditions in respect of multi-asset baskets as required]</i>	

30. Currency Linked Certificates

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

- (i) Base Currency/Subject Currency: []
- (ii) Currency Price: [] *(N.B. Include if different from definition in Condition 35.01)*

- (iii) FX Market Disruption Event(s): [FX Price Source Disruption]
[FX Trading Suspension or Limitation]
[Inconvertibility Event]
- (iv) FX Price Source(s): []
- (v) Averaging: Averaging [applies/does not apply] to the Certificates. [The Averaging Dates are [] .]
- (vi) Observation Period(s): [Each Scheduled Trading Day from (and including) [●] / the Trade Date] to (and including) [●] / the Valuation Date]] / [Not Applicable]
- (vii) Valuation Date: []
- (viii) Valuation Cut-Off Date: []
- (ix) Valuation Time: []
- (x) FX Disrupted Day: [Consider provisions in Condition 35.01 for calculation of Currency Price if a Valuation Date is a FX Disrupted Day and if not appropriate insert appropriate provisions]
- (xi) Weighting: []
- (xii) Other terms or special conditions: []

31. **Commodity Linked Certificates:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices: [Cocoa]
[Coffee]
[Corn]
[Cotton]
[Lean Hogs]
[Live Cattle]
[Soybeans]
[Sugar]

[Wheat]

[Natural Gas (Henry Hub)]

[Oil (WTI)]

[Oil (Brent)]

[Gold]

[Platinum]

[Silver]

[Aluminium]

[Copper]

[Lead]

[Nickel]

[Zinc]

[●]

[The Sponsor[s] of the Commodity Index/Indices is/are [●]]

(ii) Commodity Reference Price:

[COCOA-NYBOT]

[COFFEE ARABICA-NYBOT]

[CORN NO. 2 YELLOW-CBOT]

[COTTON NO.2-NYBOT]

[LEAN HOGS-CME]

[LIVE CATTLE-CME]

[SOYBEANS-CBOT]

[SUGAR#11 (WORLD)-NYBOT]

[WHEAT-CBOT]

[NATURAL GAS-HENRYHUB-NYMEX]

[OIL-WTI-NYMEX]

[OIL-BRENT-IPE]

[GOLD-P.M. FIX]

[PLATINUM-P.M. FIX]

[SILVER-FIX]

[ALUMINIUM-LME CASH]

[COPPER-LME CASH]

[LEAD-LME CASH]

[NICKEL-LME CASH]

[ZINC-LME CASH]

[●]

(iii) Price Source:

[Bloomberg Screen page "CC1 <CMDTY>
CT"/ Reuters Screen page "0#CC:"] [insert
where the Commodity Reference Price is
COCOA-NYBOT]

[Bloomberg Screen page "KC1 <CMDTY>
CT"/Reuters Screen page "0#KC:"] [insert
where the Commodity Reference Price is
COFFEE ARABICA-NYBOT]

[Bloomberg Screen page "C 1 <CMDTY>
CT"/Reuters Screen page "0#C:"] [insert where
the Commodity Reference Price is CORN NO.
2 YELLOW-CBOT]

[Bloomberg Screen page "CT1 <CMDTY>
CT"/Reuters Screen page "0#CT:"] [insert
where the Commodity Reference Price is
COTTON NO.2-NYBOT]

[Bloomberg Screen page "LH1 <CMDTY>
CT"/Reuters Screen page" 0#LH:"] [insert
where the Commodity Reference Price is
LEAN HOGS-CME]

[Bloomberg Screen page "LC1 <CMDTY>
CT"/Reuters Screen page "0#LC:"] [insert
where the Commodity Reference Price is LIVE
CATTLE-CME]

[Bloomberg Screen page "S 1 <CMDTY>
CT"/Reuters Screen page "0#S:"] [insert where
the Commodity Reference Price is
SOYBEANS-CBOT]

[Bloomberg Screen page "SB1 <CMDTY>
CT"/Reuters Screen page "0#SB:"] [insert
where the Commodity Reference Price is
SUGAR#11 (WORLD)-NYBOT]

[Bloomberg Screen page "W 1 <CMDTY>
CT"/Reuters Screen page "0#W:"] [insert
where the Commodity Reference Price is
WHEAT-CBOT]

[Bloomberg Screen page "NG1
<CMDTY>"/Reuters Screen page "2NGc1"]
[insert where the Commodity Reference Price
is NATURAL GAS-HENRYHUB-NYMEX]

[Bloomberg Screen page "CL1
<CMDTY>"/Reuters Screen page "2CLc1"]
[insert where the Commodity Reference Price
is OIL-WTI-NYMEX]

[Bloomberg Screen page "CO1
<CMDTY>"/Reuters Screen page "LCOc1"]
[insert where the Commodity Reference Price
is OIL-BRENT-IPE]

[Bloomberg Screen page "GOLDLNPM
<INDEX>"/Reuters Screen page "GOFO"]
[insert where the Commodity Reference Price
is GOLD-P.M. FIX]

[Bloomberg Screen page "PLTMLNPM
<INDEX>"/Reuters Screen page "STBL"]
[insert where the Commodity Reference Price
is PLATINUM-P.M. FIX]

[Bloomberg Screen page "SLVRLNPM
<INDEX>"/Reuters Screen page "SIFO"] [insert
where the Commodity Reference Price is
SILVER-FIX]

[Bloomberg Screen page "LOAHDY
<CMDTY>"/Reuters Screen page
"SETTMAL01"] [insert where the Commodity
Reference Price is ALUMINIUM-LME CASH]

[Bloomberg Screen page "LOCADY
<CMDTY>"/Reuters Screen page
"SETTMCU01"] [insert where the Commodity
Reference Price is COPPER-LME CASH]

[Bloomberg Screen page "LOPBDY
<CMDTY>"/Reuters Screen page
"SETTMPB01"] [insert where the Commodity
Reference Price is LEAD-LME CASH]

[Bloomberg Screen page "LONIDY
<CMDTY>"/Reuters Screen page
"SETTMNI01"] [insert where the Commodity
Reference Price is NICKEL-LME CASH]

[Bloomberg Screen page "LOZSDY
<CMDTY>"/Reuters Screen page
"SETTMZN01"] [insert where the Commodity
Reference Price is ZINC-LME CASH]

[●]

(iv) Exchange:

[NYBOT] [insert where the Commodity
Reference Price is COCOA-NYBOT, COFFEE
ARABICA-NYBOT, COTTON NO.2-NYBOT or
SUGAR#11 (WORLD)-NYBOT]

[CBOT] [insert where the Commodity
Reference Price is CORN NO. 2 YELLOW-
CBOT, SOYBEANS-CBOT or WHEAT-CBOT]

[CME] [insert where the Commodity Reference
Price is LEAN HOGS-CME or LIVE CATTLE-
CME]

[NYMEX] [insert where the Commodity
Reference Price is NATURAL GAS-
HENRYHUB-NYMEX or OIL-WTI-NYMEX]

[ICE] [insert where the Commodity Reference
Price OIL-BRENT-IPE]

[London Gold Market] [insert where the
Commodity Reference Price is GOLD-P.M.
FIX]

[LPPM] [insert where the Commodity
Reference Price is PLATINUM-P.M. FIX]

[London Silver Market] [insert where the
Commodity Reference Price is SILVER-FIX]

[LME] [insert where the Commodity Reference
Price is ALUMINIUM-LME CASH, COPPER-
LME CASH, LEAD-LME CASH, NICKEL-LME

- CASH or ZINC-LME CASH]
- [●]
- (v) Delivery Date: [●]
[See Conditions]
- (vi) Pricing Date: [●]
- (vii) Nearby Month: [●]
[See Conditions]
- (viii) Common Pricing: [Applicable/Not Applicable]
(N.B. Only applicable in relation to Commodity Linked Certificates relating to a Basket)
- (ix) Additional Market Disruption Events: [specify any additional Market Disruption Events]
Disruption Fallback(s): [As set out in Condition 34/[●]]
[Fallback Reference Price: alternate Commodity Reference Price – [●]]
[Commodity Index Cut-Off Date: [●]]
- (x) Commodity Business Day: [●]
- (xi) Trade Date: [●]
- (xii) Weighting: [Not Applicable/The weighting to be applied to each item comprising the Basket is [●]]
(N.B. Only applicable in relation to Commodity Linked Certificates relating to a Basket)
- (xiii) Specified Price: [high price]
[low price]
[average of the high price and the low price]
[closing price]
[opening price]
[bid price]
[asked price]

	[average of the bid price and the asked price]
	[settlement price]
	[official settlement price]
	[official price]
	[morning fixing]
	[afternoon fixing]
	[spot price]
	[other]
(xiv) Other terms or special conditions:	[●]
32. Index Linked Certificate Provisions (Equity Indices only)	[Applicable/Not Applicable] <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i>
(i) Whether the Certificates relate to a Basket of Indices or a single Index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi-Exchange Index:	[Single Index/Basket of Indices] Index or Indices: [[●] (<i>Give or Annex details</i>)] Index Sponsor(s): Multi-Exchange Index: [Yes/No]
(iii) Reference Level:	[As set out in Condition 29.08 / <i>Insert another definition</i>]
(iv) Averaging Date(s):	[The Averaging Dates are [].] [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
(v) Observation Period(s):	[Each Scheduled Trading Day from (and including) [[●] / the Trade Date] to (and including) [[●] / the Valuation Date]] / [Not Applicable]
(vi) Observation Date(s):	[[●] (<i>Give details</i>) / Not Applicable]
(vii) Valuation Date(s):	[]
(viii) Valuation Time:	Condition 29.08 applies/(<i>Specify if other</i>)

- (ix) Disrupted Day: *[Consider provisions in Condition 29.08 for calculation of the Reference Level if a Valuation Date, Observation Date or Averaging Date is a Disrupted Day and if not appropriate insert appropriate provisions]*
- (x) Additional Disruption Events: [Applicable/Not Applicable]
 [Change in Law]
 [Hedging Disruption]
 [Increased Cost of Hedging]
 [Other]
- (xi) Index Substitution: [Applicable/Not Applicable]
 [If applicable, the Index Substitution Criteria are:
 []]
- (xii) Exchange(s): []
- (xiii) Related Exchange(s): [All Exchanges]/ []
- (xiv) Initial Level: []
- (xv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
- (xvi) Hedging Entity: [Specify if other than the Issuer]
 []
- (xvii) Other terms or special conditions: []
33. **Equity Linked Certificate Provisions** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Whether the Certificates relate to a Basket of Equities or a single Equity and the identity of the relevant Equity Issuer(s): [Single Equity/Basket of Equities] *[Give or annex details of Equity Issuers and Equities, including details of Underlying Equities where applicable]*
- (a) Equity/Equities: [Existing ordinary shares of the Equity Issuer]
- (b) Equity Issuer: [•] (Bloomberg code [•]);
- (c) ISIN/Common Code: [•]/[•]

- (ii) Reference Price: [As set out in Condition 30.05 / *Insert another definition*]
- (iii) Averaging Date(s): [The Averaging Dates are [].]
 [In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/ Modified Postponement] will apply.]
- (iv) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]
- (v) Observation Date(s): [[•] (*Give details*) / Not Applicable]
- (vi) Valuation Date(s): []
- (vii) Valuation Time: [Condition 30.05 applies/(*Specify if other*)]
- (viii) Disrupted Day: [*Consider provisions in Condition 30.05 for calculation of the Reference Price if a Valuation Date, Observation Date or Averaging Date is Disrupted Day and if not appropriate insert appropriate provisions*]
- (ix) Initial Price: []
- (x) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)] / [*Insert Trade Date of related swap transaction (if different from Issue Date)*]
- (xi) Potential Adjustment Events: Applicable/Not Applicable [See Condition 30.02(i)]
- (xii) De-listing: [Applicable/Not Applicable]
- (xiii) Merger Event: [Applicable/Not Applicable]
- (xiv) Nationalisation: [Applicable/Not Applicable]
- (xv) Insolvency: [Applicable/Not Applicable]
- (xvi) Tender Offer: [Applicable/Not Applicable]
- (xvii) Additional Disruption Events: [Applicable/Not Applicable]
 [Change in Law]
 [Hedging Disruption]
 [Increased Cost of Hedging]

	[Insolvency Filing]
	[Other]
(xviii) Equity Substitution:	[Applicable/Not Applicable] [If applicable, the Equity Substitution Criteria are : []] [If applicable and DRs, DR Substitution Criteria are: []]
(xix) Exchange(s):	[•]
(xx) Related Exchange(s):	[All Exchanges]/[•]
(xxi) Exchange Rate:	[Applicable/Not Applicable] [<i>If applicable, insert details</i>]
(xxii) Partial Lookthrough Depository Receipt Provisions:	[Applicable/Not Applicable]
(xxiii) Full Lookthrough Depository Receipt Provisions:	[Applicable / Not Applicable]
(xxiv) Hedging Entity:	[Specify if other than the Issuer]
(xxv) Other terms or special conditions:	[]
34. Fund Linked Certificate Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(i) Whether the Certificates relate to a single Fund or a Basket of Funds and the identity of the relevant Fund/Funds:	[Single Fund / Basket of Funds] (<i>Give or annex details including Weightings if applicable</i>) [The [•] Fund is an ETF] [Exchange for each Fund Share: []] [Related Exchange for each Fund Share: [] / All Exchanges] [Underlying Index]: [] <i>(N.B. Include for Exchange Traded Funds (ETFs)</i>
(ii) Fund Interest(s):	[]
(iii) Reference Price:	[As set out in Condition 33.08 / <i>Insert another definition</i>] <i>(N.B. Include for ETFs only)</i>

- (iv) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date) / [•] (Give details)/Not Applicable] (Insert Trade Date of related swap transaction (if different from Issue Date))]
- (v) Averaging Date(s): [The Averaging Dates are []]
[In the event that an Averaging Date is a Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Observation Period(s): [Each Scheduled Trading Day from (and including) [[•] / the Trade Date] to (and including) [[•] / the Valuation Date]] / [Not Applicable]
- (vii) Observation Date(s): [[•] (Give details) / Not Applicable]
- (viii) Valuation Date(s): []
- (ix) Valuation Time: [Condition 33.08 applies/(Specify if other)]
[N.B. applicable to ETFs only]
- (x) Disrupted Day: [Consider provisions in Condition 33.08 for calculation of the Reference Level if a Valuation Date, Observation Date or Averaging Date is Disrupted Day and if not appropriate insert appropriate provisions]
[N.B. applicable to ETFs only]
- (xi) Initial Price: []
- (xii) Relevant provisions for determining certain Fund Events:
- (a) NAV Trigger: [Insert percentage]
- (b) Reporting Disruption Period: [Insert applicable period]

- (xiii) Additional Disruption Events: Change in Law: [Applicable/Not Applicable]
Hedging Disruption: [Applicable/Not Applicable]
Increased Cost of Hedging: [Applicable/Not Applicable]
Insolvency Filing: [Applicable/Not Applicable]
- (xiv) Exchange Rate: []/Not Applicable
- (xv) Hedging Entity: [*Specify if other than the Issuer*]
- (xvi) Other terms or special conditions: [Merger Event: Merger Date on or before [the Valuation Date/other]]
35. **Credit Linked Certificate Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Other terms or special conditions:
- PROVISIONS FOR PHYSICAL DELIVERY*** [Applicable / Not Applicable]
36. Relevant Asset(s) []
37. Entitlement: The Entitlement (as defined in Condition 3) in relation to each Certificate is []
[The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*]]
The Entitlement will be delivered [*insert details of the method of delivery of the Entitlement*]
38. Cash Adjustment: [The Cash Adjustment will be determined as follows: [•]]
39. Failure to Deliver due to Illiquidity: [Applicable / Not Applicable]

* Where the Relevant Assets are shares or share equivalents of a third party issuer that are not admitted to a regulated market, the Issuer may be required to prepare a Supplement or Drawdown Prospectus to include any additional information about the Relevant Assets.

GENERAL

40. Form of Certificates: The Certificates are to be issued into and transferred through Euroclear and Clearstream, Luxembourg and will be represented by [a Temporary Global Certificate exchangeable for a Permanent Global Certificate / a Permanent Global Certificate]
41. Other final terms: [Not Applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*
- [Include Notice provisions other than those found in Condition 10]*

DISTRIBUTION

42. Method of distribution: [Syndicated / Non-Syndicated]
- (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, [addresses and underwriting commitments]*]
- [(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)]**
- [(ii) Date of Subscription Agreement: []]
43. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
44. Total commission and concession: []
45. U.S. Selling Restrictions: [Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable]

46. Non-Exempt Offer: [Not Applicable] [An offer of the Certificates may be made by the Managers [and [specify, names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a general description of other parties involved in non-exempt offers (e.g. “Other parties authorised by the Managers”]] (together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] (until [specify date or a formula such as “the Issue Date” or “the date which falls [] Business Days thereafter”] (“**Offer Period**”). See further Paragraph 12 of Part B below]
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus (and any supplement) has been notified/passported.)*
47. Additional selling restrictions: [Not Applicable/give details]
48. Exchange Date: []
49. [The net issue proceeds of the Redeemable Certificates issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of:] [U.S.\$●] [Not Applicable]

50. Governing law (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): [English law / Not Applicable]⁵

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [the admission to [the Official List of [specify stock exchange] and to] trading on [specify relevant [regulated] market] of the Certificates described herein pursuant to the U.S.\$40,000,000,000 Programme for the Issuance of Securities of Royal Bank of Canada.]

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

⁵ English law may only be elected in the case of Certificates issued on a non-syndicated basis. Exercisable Certificates with Physical Delivery should be governed by Ontario law.

PART B – OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

- [(i)] Listing/Admission to trading: Application has been made by the Issuer (or on its behalf) for the Certificates to be admitted to [the Official List of the [UKLA / Luxembourg Stock Exchange] / other and to] trading on [specify relevant regulated market] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Certificates to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Not Applicable.]

Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- [(ii)] Estimate of total expenses related to admission to trading: [●]***

2. RATINGS

Ratings: The Programme has been / The Certificates to be issued [have been] / [are expected to be] rated:

[S & P: AA-]

[Moody's: Aa1]

[[Other rating agency]: []]

[Need to include the full legal name of each rating agency as above and a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[[insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision

** If an issue of Certificates is not admitted to trading on a regulated market or the PSM or offered to the public in the EEA in circumstances requiring publication of a prospectus then certain items are not mandatory, including section 2 – 10 and 12 of this Part B.

*** Only required for Certificates with a minimum Issue Price of greater than Euro 100,000 (or its equivalent in other currencies on the Issue Date).

has not yet been provided by the relevant competent authority.]

[[*insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*Insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

(The above disclosure should reflect the rating allocated to Certificates of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

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

[Save [for any fees payable to the [Managers/Dealers] and] as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.]

[The Issue Price may include a fee or commission payable to a distributor or third party. Such fee or commission will be determined by reference to a number of factors including but not limited to the redemption or settlement date of the Certificates, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

[The Issue Price includes a fee or commission of [●] per cent. of the notional amount of the Certificates payable to a distributor or third party.]

[*For Hong Kong issuances:* The Issue Price may include a fee or commission payable to a distributor or third party, such a fee or commission will be determined by a number of factors including but not limited to maturity of the note, hedging costs and legal fees. Further details in respect of the fee or commission are available upon request.]

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

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

[(i) Reasons for the offer []
(See [“Use of Proceeds”] wording in Base Prospectus – if reasons for offer different from that set out in the Base Prospectus will need to include those reasons here.)]

[(ii) Estimated net proceeds: ●

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

[(iii) Estimated total expenses: ●

[N.B.: (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

5. [[Floating Rate Certificates only - HISTORIC RATES

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

6. [Index Linked Certificates only – PERFORMANCE OF [INDEX/BASKET OF INDICES] [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of the/each Index/Basket of Indices can be obtained. [Need to include the name of the/each Index and Index Sponsor and a description if composed by the Issuer and if the/each Index is not composed by the Issuer need to include details of where the information about the/each Index / Index Sponsor can be obtained. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

[Identify source of all third party information.]

7. (Currency Linked Certificates Only) PERFORMANCE OF [RATE(S) OF EXCHANGE /CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/CURRENCIES]]

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of the [relevant rates of exchange/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

8. (Commodity Linked Certificates Only) PERFORMANCE OF [THE COMMODITY/COMMODITY INDEX/BASKET OF COMMODITIES/BASKET OF COMMODITY INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY /COMMODITY INDEX/BASKET OF COMMODITIES/COMMODITY INDICES]]

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of [the/each Commodity/Commodity Index/basket of Commodities/basket of Commodity Indices] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

9. (Equity Linked Certificates and Fund Linked Certificates Only) PERFORMANCE OF EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE [EQUITY / BASKET OF EQUITIES / FUND / BASKET OF FUNDS]

(Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of [the/each [Equity/Fund] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

[N.B. Where an issue of Equity Linked Certificates or Fund Linked Certificates is to be redeemed by physical delivery of all or part of a Reference Item and such Reference Item is not listed on a regulated market, the Issuer will supplement the Base Prospectus to include any additional information about the Reference Item that is required to enable the Issuer to comply with its disclosure obligations.]

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

[Identify source of all third party information.]

10. (Credit Linked Certificates Only) INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY]

Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

[Identify source of all third party information.]

11. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Name(s) and address(es) of Initial Paying Agents: []
- (vi) Names and addresses of additional Paying Agent(s) (if any): []

12. TERMS AND CONDITIONS OF THE OFFER*

- Offer Price: [Issue Price] [Not Applicable] [*specify*]
- Conditions to which the offer is subject: [Not Applicable / *give details*]
- Description of the application process: [Not Applicable / *give details*]
- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable / *give details*]
- Details of the minimum and/or maximum amount of application: [Not Applicable / *give details*]
- Details of the method and time limits for paying up and delivering the Certificates: [Not Applicable / *give details*]
- Manner and date in which results of the offer are to be made public: [Not Applicable / *give details*]
- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable / *give details*]

* Delete unless non-exempt public offers in the EEA are intended.

Categories of potential Investors to which the Certificates are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable / *give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable / *give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable / *give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None / *give details*]

13. [INDEX/OTHER DISCLAIMER]*

The issue of this series of Certificates (in this paragraph, the “**Transaction**”) is not sponsored, endorsed, sold, or promoted by [**NAME OF INDEX/OTHER**] (the “**Index**”) or [**NAME OF INDEX/OTHER SPONSOR**] (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 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 entering into any Transaction. The Issuer shall not have any liability for any act of 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, none of the Issuer or 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 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, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.]

* Include unless the relevant Index has a bespoke disclaimer, in which case substitute such bespoke disclaimer.

USE OF PROCEEDS

Except as otherwise set out in the applicable Final Terms, the net proceeds of the issue of each Tranche of Securities will be added to the general funds of the Issuer or used by the Issuer and/or its affiliates for hedging the Securities. Except as otherwise set forth in the applicable Final Terms, the purpose of an issue of Subordinated Notes will be to enlarge the Issuer's capital base.

ROYAL BANK OF CANADA

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in the Base Prospectus. See paragraphs (a) – (c) of the section entitled “Documents Incorporated by Reference”.

History and Development of the Issuer

Royal Bank of Canada (the “**Bank**”) is a Schedule 1 Bank under the *Bank Act* (Canada) (the “**Bank Act**”), which constitutes its charter. The Bank was created as Merchants Bank in 1864 and was incorporated under the “Act to Incorporate the Merchants’ Bank of Halifax” assented to June 22, 1869. The Bank changed its name to The Royal Bank of Canada in 1901 and to Royal Bank of Canada in 1990.

The Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5 and the telephone contact number is +1 (416) 974-5151. The head office is located at 1 Place Ville Marie, Montreal, Quebec, Canada H3C 3A9.

Principal Activities and Markets

The Bank and its subsidiaries operate under the master brand name RBC. All references to “the Bank” in the section entitled “**Royal Bank of Canada**” refer to the Bank and its subsidiaries, unless the context otherwise requires. The Bank is Canada’s largest bank as measured by assets and market capitalisation, and among the largest banks in the world, based on market capitalisation. The Bank is one of North America’s leading diversified financial services companies, and provides personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. The Bank employs approximately 79,000 full- and part-time employees who serve close to 16 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 56 other countries. As at April 30, 2011, the Bank has total assets of approximately C\$729 billion and total shareholders’ equity of approximately C\$40 billion.

The Bank’s segments are Canadian Banking, Wealth Management, Insurance, International Banking, Capital Markets and Corporate Support. Additional information about the Bank’s business and each segment (including segment results) can be found under “Overview and outlook” on page 6 and under “Business segment results” beginning on page 12 of the 2010 Annual Report incorporated by reference herein.

The Bank’s common shares are listed on the Toronto Stock Exchange in Canada, New York Stock Exchange in the U.S. and Swiss Exchange in Switzerland. The trading symbol is “RY”. Its preferred shares are listed on the Toronto Stock Exchange.

Competition

The principal markets in which the Bank competes as at October 31, 2010 are described in the 2010 Annual Report incorporated by reference herein.

Organisational Structure

The Bank's principal subsidiaries as at October 31, 2010 are described in the Annual Information Form incorporated by reference herein.

ISSUER RATINGS

The Bank's current issuer credit ratings are as follows:

Rating Agency	Senior Debt	Subordinated Debt	Short-term	Outlook
Moody's USA	Aa1	Aa2	P-1	Stable
S&P USA	AA-	A+	A-1+	Positive
Fitch	AA	AA-	F1+	Stable
DBRS	AA	AA (low)	R-1 (high)	Stable

See page 25 of the AIF incorporated by reference into this Prospectus for an explanation of the credit ratings referred to above.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

PRESENTATION OF FINANCIAL RESULTS

With the exception of the figures for return on common equity, the information in the tables appearing under "Financial Summary" below was prepared in accordance with Canadian GAAP.

FINANCIAL SUMMARY

With the exception of the figures for return on common equity, information in the tables below for the years ended October 31, 2010 and 2009 has been extracted from the audited financial statements of the Bank for the years ended October 31, 2010 and 2009 contained in the Bank's 2010 Annual Report, which statements are incorporated by reference in this Prospectus together with the accompanying notes and the report of the auditors as it relates to their opinion on the financial statements as further described on page 74 of the Bank's 2010 Annual Report.

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or summaries of selected transactions in the table below.

With the exception of the figures for return on common equity, the information in the table below for the six months ended April 30, 2011 and 2010 has been extracted from the

unaudited interim consolidated financial statements of the Bank for the three and six month periods ended April 30, 2011 contained in the Bank's Second Quarter 2011 Report to Shareholders, which unaudited interim financial statements are incorporated by reference in this document. The figures for return on common equity for the three and six month periods ended April 30, 2011 and 2010 have been extracted from the Bank's Second Quarter 2011 Report to Shareholders. All figures for the three and six month periods ended April 30, 2011 and 2010 are unaudited.

Condensed Consolidated Balance Sheet

	As At April 30, 2011 ⁽²⁾	As At April 30, 2010 ⁽²⁾	As at October 31, 2010 ⁽¹⁾	As At October 31, 2009 ⁽¹⁾
	<i>(in millions of Canadian dollars except per share amounts)</i>			
Loans, net of allowance for loan losses	295,469	283,069	292,206	280,963
Total assets	728,917	655,136	726,206	654,989
Deposits	441,377	397,840	433,033	398,304
Other liabilities	236,496	209,778	244,558	209,852
Subordinated debentures	7,603	5,813	6,681	6,461
Trust capital securities	742	1,398	727	1,395
Non-controlling interest in subsidiaries	2,264	2,243	2,256	2,071
Shareholders' Equity	40,435	38,064	38,951	36,906

¹ The amounts have been extracted from the Bank's audited 2010 consolidated financial statements incorporated by reference in this document.

² The amounts have been extracted from the Bank's unaudited interim consolidated financial statements for the three and six month periods ending April 30, 2011 incorporated by reference in this document.

Condensed Consolidated Statement of Income

	Six months ended April 30, 2011	Six months ended April 30, 2010	Year ended October 31, 2010 ⁽¹⁾	Year ended October 31, 2009 ⁽¹⁾⁽²⁾
<i>(in millions of Canadian dollars except per share amounts)</i>				
Net interest income	5,485	5,446	10,977	11,541
Non-interest income	9,036	8,855	17,353	17,565
Total revenue	14,521	14,301	28,330	29,106
Provision for credit losses	678	997	1,861	3,413
Insurance policyholder benefits, claims and acquisition expense	1,650			
		2,226	5,108	4,609
Non-interest expense	7,781	7,198	14,393	14,558
Goodwill impairment charge	-	-	-	1,000
Net Income	3,345	2,826	5,223	3,858
Earnings per share				
– basic	\$2.26	\$1.90	\$3.49	\$2.59
– diluted	\$2.24	\$1.88	\$3.46	\$2.57
Return on common equity ⁽³⁾	18.5%	16.7%	14.9%	11.9%

¹ The amounts (other than return on common equity) have been extracted from the Bank's audited consolidated financial statements incorporated by reference in this document. The amounts under return on common equity have been extracted from the Bank's 2010 Annual Report to Shareholders incorporated by reference in this document.

² The Bank reclassified certain amounts in Corporate Support which were previously reported in trading revenue to Other revenue to better reflect the nature of the amounts.

³ Return on common equity is based on net income available to common shareholders divided by total average common equity for the period. It is calculated using methods intended to approximate average of the daily balances for the period and is based on actual balances before rounding. The Bank utilizes this ratio as a measurement of return on total capital invested in its businesses. Return on common equity does not have a standardized meaning under Canadian GAAP and may not be comparable to similar measures disclosed by other financial institutions. For further information please see "Key performance and non-GAAP measures" in the Bank's 2010 Annual Report.

DIRECTORS

The Directors of the Bank, each of whose address is the executive offices of the Bank, Royal Bank Plaza, 200 Bay Street, South Tower, Toronto, Ontario, Canada M5J 2J5, their function in the Bank and their other principal activities (if any) outside the Bank of significance to the Bank, are as follows:

Name	Function	Other Principal Activities outside the Bank
W. Geoffrey Beattie Toronto, Ontario	Director	President and Chief Executive Officer, The Woodbridge Company Limited Deputy Chairman, Thomson Reuters Corporation
John T. Ferguson Edmonton, Alberta	Director	Chairman and Chief Executive Officer, Princeton Developments Ltd. and Princeton Ventures Ltd.
The Hon. Paule Gauthier Quebec City, Quebec	Director	Senior Partner, Stein Monast L.L.P.
Timothy J. Hearn Calgary, Alberta	Director	Chairman, Hearn & Associates
Alice D. Laberge Vancouver, British Columbia	Director	Corporate Director
Jacques Lamarre Montreal, Quebec	Director	Corporate Director
Brandt C. Louie West Vancouver, British Columbia	Director	Chairman and Chief Executive Officer, H.Y. Louie Co. Limited Chairman of the Board, London Drugs Limited
Michael H. McCain Toronto, Ontario	Director	President and Chief Executive Officer, Maple Leaf Foods Inc.
Heather Munroe-Blum Montreal, Québec	Director	Principal and Vice-Chancellor of McGill University
Gordon M. Nixon Toronto, Ontario	President and Chief Executive Officer	Not applicable
David P. O'Brien Calgary, Alberta	Chairman of the Board	Chairman of the Board, EnCana Corporation
J. Pedro Reinhard Key Biscayne, Florida	Director	President, Reinhard & Associates

Edward Sonshine Toronto, Ontario	Director	President and Chief Executive Officer, RioCan Real Estate Investment Trust
Kathleen P. Taylor Toronto, Ontario	Director	President and Chief Executive Officer, Four Seasons Hotels and Resorts
Bridget A. van Kralingen New York, New York	Director	General Manager, IBM North America
Victor L. Young St. John's, Newfoundland and Labrador	Director	Corporate Director

There are no potential conflicts of interests between any duties owed to the Bank by the Directors and the private interests and/or other duties owed by these individuals. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

MAJOR SHAREHOLDERS

To the extent known to the Bank, the Bank is not directly or indirectly owned or controlled by any person. The Bank Act prohibits any person from having a "significant interest" in any class of shares of the Bank, that is, from beneficially owning more than 10 per cent. of the outstanding shares of any class either directly or through controlled entities, without the approval of the Minister of Finance of Canada. A person may, with the approval of the Minister of Finance, beneficially own up to 20 per cent. of a class of voting share and up to 30 per cent. of a class of non-voting share of the Bank, subject to a "fit and proper" test based on the character and integrity of the applicant subject to any orders that may be issued by the Governor in Council. In addition, the holder of such a significant interest could not have "control in fact" of the Bank subject to any orders that may be issued by the Governor in Council.

MATERIAL CONTRACTS

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank other than, with respect to any Notes, the contracts described in "Subscription and Sale" and in "Terms and Conditions of the Notes".

RECENT DEVELOPMENTS

The Bank announced on June 20, 2011 that it is refocusing its U.S. growth strategy by entering into definitive agreements to sell its U.S. regional retail banking operations to the PNC Financial Services Group, Inc. ("**PNC**") for approximately U.S.\$3.62 billion consisting of U.S.\$3.45 billion for the purchase of RBC Bank (USA) and U.S.\$165 million for the purchase of related credit card assets. The purchase price is comprised of cash and PNC common stock of up to U.S.\$1 billion at PNC's option. The transaction is subject to customary closing conditions, including regulatory approval, and is expected to close in March of 2012.

The Bank expects the transaction to result in an estimated loss of Cdn\$1.6 billion under Canadian GAAP on an after-tax basis, which includes an estimated goodwill write off of Cdn\$ 1.3 billion (Cdn\$1.4 billion pre-tax). The estimated loss will be recorded in the Bank's 3rd quarter 2011 financial statements. The purchase price is subject to an adjustment at close for actual net tangible value delivered, which is not expected to have a material impact on the loss. All amounts are based on estimates and are subject to change.

TAXATION

Canadian Taxation

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the “**Act**”) and *Income Tax Regulations* (the “**Regulations**”) generally applicable to a holder of Securities who acquires such Securities pursuant to the Prospectus, and who, for the purposes of the Act, at all relevant times: (i) is not resident and is not deemed to be resident in Canada, (ii) deals at arm’s length with the Issuer and any Canadian resident (or deemed Canadian resident) to whom the holder assigns or otherwise transfers the Securities, (iii) does not use or hold and is not deemed to use or hold Securities in or in the course of carrying on a business in Canada, and (iv) is not an insurer carrying on an insurance business in Canada and elsewhere (a “**Non-resident Holder**”).

This summary is based upon the provisions of the Act and the Regulations in force on the date hereof, proposed amendments to the Act and the Regulations in a form publicly announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (included for this purpose in the reference to the Act and Regulations) and the current administrative policies and assessing practices published in writing by the Canada Revenue Agency. This summary assumes that such proposed amendments will be enacted as currently proposed but no assurance can be given that this will be the case. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

It is the intention of the Issuer that the terms and conditions of any Security, and in particular, any Reference Item(s) in respect of such Security, will not cause the Security to be “taxable Canadian property” (within the meaning of the Act). On this basis, this summary assumes that the Securities issued pursuant to this Prospectus will not be taxable Canadian property for Canadian income tax purposes. A Non-resident Holder that disposes of taxable Canadian property will generally be subject to Canadian income tax on any gain resulting from such disposition, subject to and in accordance with the relevant provisions of the Act (which are not discussed in this summary), unless such gain is exempt from Canadian income tax through the application of an applicable double tax treaty. If the Issuer determines that any particular Securities offered pursuant to this Prospectus are, or could reasonably be expected to be, taxable Canadian property, the Canadian federal income tax considerations applicable to such Securities will be more fully described in the Final Terms related thereto.

This summary is of a general nature only, and is not intended to be, nor should it be considered to be, legal or tax advice to any particular person including any Non-resident Holder. Any prospective investor, including any Non-resident Holders, should therefore consult their own legal and/or tax advisers with respect to their particular circumstances.

The Canadian federal income tax considerations applicable to Securities may be described more particularly, when such Securities are offered (and then only to the extent that they differ materially from the summary contained herein), in the Final Terms related thereto. In the event the Canadian federal income tax considerations are described in such Final Terms, the following description will be superseded by the description in the Final Terms to the extent indicated therein. Additional Canadian

federal income tax considerations, which are not described herein, may also be applicable where Securities are Reference Item Linked Securities and where physical delivery applies and such considerations will be described in the Final Terms related thereto.

Notes

Interest paid or credited or deemed to be paid or credited on a Note (including an amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Note in certain cases involving the assignment or other transfer of the Note to a resident or deemed resident of Canada) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such interest (other than on a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation (“**Participating Debt Interest**”). A “**prescribed obligation**” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon, or computed by reference to, any of the criteria described in the definition of Participating Debt Interest. **If any interest paid or credited or deemed to be paid or credited on a Note is to be calculated by reference to a Reference Item which could be viewed as a proxy for the profit of the Issuer, such interest may be subject to Canadian non-resident withholding tax.** The Canadian withholding tax implications of such an issuance will be described particularly in the relevant Final Terms if such Notes are offered.

In the event that a Note on which any interest paid or credited or deemed to be paid or credited is, or would be, Participating Debt Interest is redeemed, cancelled, repurchased, converted pursuant to Condition 28(ii), as applicable, or purchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof, the excess may, in certain circumstances, be deemed to be interest and may, together with any interest that has accrued or is deemed to have accrued on the Note to that time, be subject to Canadian non-resident withholding tax if the Note is not considered to be an “excluded obligation” for the purposes of the Act. A Note will be an “excluded obligation” for this purpose if it was issued for an amount not less than 97% of the principal amount (as defined for the purposes of the Act) of the Note and the yield from which, expressed in terms of an annual rate (determined in accordance with the Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time.

There are generally no other taxes on income (including taxable capital gains) payable in respect of a Note or interest, discount, or premium thereon by a Non-resident Holder.

Certificates

It is unclear whether Certificates will be treated as debt of the Issuer for Canadian income tax purposes. If Certificates are considered debt of the Issuer for Canadian income tax purposes,

the Canadian income tax consequences to a Non-resident Holder of acquiring, holding and disposing of Certificates will generally be as described above under the heading “**Notes**”. In particular, if Certificates are considered to be debt of the Issuer for Canadian income tax purposes, the payment by the Issuer of an Additional Amount in respect of a Certificate to a Non-Resident Holder will not be subject to Canadian non-resident withholding tax unless all or any portion of such Additional Amount is Participating Debt Interest.

If Certificates are not considered debt for Canadian income tax purposes, the Canadian income tax consequences to a Non-resident Holder of acquiring, holding and disposing of a particular Certificate will depend on how the Certificate is ultimately characterised. However, unless otherwise disclosed in the applicable Final Terms, amounts paid or credited or deemed to be paid or credited by the Issuer to the Non-resident Holder in respect of a particular Certificate (including an Additional Amount) should not be subject to Canadian non-resident withholding tax.

No other taxes on income (including taxable capital gains) should be payable in respect of a Certificate by a Non-resident Holder.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Securities and is a summary of the Issuer’s understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments in respect of the Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of the Securities. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective holders of Securities depends on their individual circumstances and may be subject to change in the future. Prospective holders of Securities who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Notes and Redeemable Certificates (together, the “Redeemable Securities”) issued by the Issuer’s London branch

Payments of interest on the Redeemable Securities

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the *Income Tax Act 2007* (the “**UK Act**”), and provided that the interest on the Redeemable Securities is paid in the ordinary course of its business within the meaning of section 878 of the UK Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Redeemable Securities may be made without deduction of or withholding on account of United Kingdom income tax provided that the Redeemable Securities continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the UK Act. The London Stock Exchange is a recognised stock exchange. The Redeemable Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) by the United Kingdom Listing Authority and admitted to trading on the London Stock Exchange (which would include being admitted to trading on the London Stock Exchange Regulated Market or the Professional Securities Market). Provided, therefore, that the Redeemable Securities remain so listed, interest on the Redeemable Securities will be payable without withholding or deduction on

account of United Kingdom tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on the Redeemable Securities may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Redeemable Securities is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Redeemable Securities may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Redeemable Securities is less than 365 days and those Redeemable Securities do not form part of a scheme of arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount generally must be withheld from payments of interest on the Redeemable Securities on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a holder of Redeemable Securities, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the holder of Redeemable Securities without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Exercisable Certificates issued by the Issuer's London branch

Payments in respect of the Exercisable Certificates

Payments made in respect of the Exercisable Certificates may be made without deduction or withholding for or on account of United Kingdom income tax where such payments are not regarded either as interest or as annual payments for United Kingdom tax purposes.

Stamp duty and stamp duty reserve tax (SDRT) in relation to Securities

A charge to stamp duty or SDRT may, in certain circumstances, arise on the issue, transfer and/or settlement of Securities and SDRT may also be payable in relation to any agreement to transfer Securities. This will depend upon the Terms and Conditions of the relevant Securities (as amended and supplemented by the applicable Final Terms). Holders of Securities should take their own advice from an appropriately qualified professional advisor in this regard.

Reporting of information in respect of the Securities

Holders (whether or not the Notes they hold are issued by the Issuer's London branch) may wish to note that, in certain circumstances, HM Revenue & Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Holder. Any person in the United Kingdom (including any United Kingdom based paying agent) who pays amounts payable on redemption of Notes which are deeply discounted securities for the purposes of the *Income Tax (Trading and other Income) Act 2005* to, or receives such amounts for the benefit of, another person may also be required by HM Revenue & Customs to provide certain information (which may include the name and address of the beneficial owner of the amount payable on redemption) to HM Revenue &

Customs although HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise this power where such amounts are paid on or before April 5, 2012. Any information obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the Holder is resident for tax purposes.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Tax Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Tax Directive; which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Securities as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Tax Directive.

Italian Taxation

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

In the near future, the Italian Parliament may authorise the Government to introduce a fixed withholding tax on capital gains and financial incomes not exceeding 20 per cent., which may replace the current tax regime of the Securities, as summarised below. Other tax provisions may be adopted which affect the current tax treatment of the Securities.

Investors in the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities.

Tax treatment of the Securities qualifying as Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended, (the “**Decree No. 239**”) provides for the applicable regime with respect to the tax treatment of interest, premium

and other income (including the difference between the redemption amount and the issue price) from Securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers and which embed the unconditional obligation of the issuer to fully repay the principal invested upon redemption (the “**Notes**”).

Where the Notes have an original maturity of at least 18 months and the Italian resident Holder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see “Capital Gains Tax” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 12.50 per cent. In the event that the Holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident holder of a Note is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Holder’s income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the “status” of the Holder, also to IRAP - the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the “**Fund**”) or an Italian investment company with variable capital (*società d’investimento a capitale variabile*) (“**SICAV**”), and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund or the SICAV. The Fund or SICAV will not be subject to taxation on such result, but a substitutive tax of 12.50 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the “**Collective Investment Fund Substitute Tax**”).

Where an Italian resident holder of a Note is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, Italian investment firms (*società d’intermediazione mobiliare*) (SIMs), fiduciary companies, Italian asset management

companies (*società di gestione del risparmio*) (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an “**Intermediary**”).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a holder of a Note.

If the Notes are issued for an original maturity of less than 18 months, the *imposta sostitutiva* applies at the rate of 27 per cent.. The 27 per cent. *imposta sostitutiva* is also applied to any payment of interest or premium relating to the Notes made to (i) Italian pension funds, (ii) Italian funds and (iii) SICAVs.

Early Redemption

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from their issue date, Italian resident Holders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption. This provision does not apply to an Italian Holder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Non-Italian Resident holder of Notes

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident holder of Notes of interest or premium relating to the Notes provided that, if the Notes are deposited with an Intermediary in Italy, the non-Italian resident holder of Notes declares itself to be a non-Italian resident according to Italian tax regulations.

Atypical securities

Interest payments relating to Securities qualifying as debt instruments but which are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 27 per cent.. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay an amount not lower than their nominal value.

The 27 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident holder of the Securities and to an Italian resident holder of Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Holder,

also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Securities are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident holder of Securities is an individual not holding the Securities in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such holder of Securities from the sale or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 12.50 per cent. Holders of Securities may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individuals holding Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant holder of Securities. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the holder of Securities or using funds provided by the holder of Securities for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of Securities is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.50 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the

four succeeding tax years. Under the *risparmio gestito* regime, the holder of Securities is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a holder of Securities which is a Fund or a SICAV will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund or SICAV, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax. Any capital gains realised by a holder of Securities which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

Capital gains realised by non-Italian resident holder of Securities from the sale or redemption of the Securities are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

Italian taxation of Securities qualifying as Certificates

The following regime may apply to interest or premium deriving from Securities that (i) do not qualify as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) and (ii) do not generate income from the investment of capital (*reddito di capitale*) pursuant to the Article 44 of Presidential Decree No. 917 of 22 December 1986 (the Italian Income Tax Consolidated Code or IITCC), but are deemed to produce other income (*redditi diversi*) for Italian tax purposes, pursuant to Article 67 (1)(c-*quarter* and c-*quinqies*) of the IITCC. Securities falling within this category are referred to as "**Certificates**".

Pursuant to Article 67 of the IITCC and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident investor is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Certificates are subject to a 12.50 per cent. substitute tax (*imposta sostitutiva*). The recipient may opt for the three different taxation criteria, *regime della dichiarazione*, *risparmio amministrato* and *risparmio gestito* described in the "*Capital Gains Tax*" paragraph above.

Where an Italian resident investor is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to *imposta sostitutiva*, but must be included in the relevant investor's income tax return and are therefore subject to Italian corporate tax and, in certain circumstances, depending on the "status" of the investors also as a part of the net value of production for IRAP purposes.

Capital gains realised by non-Italian resident investors are not subject to Italian taxation, provided that the Certificates (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside of Italy.

Please note that in accordance with a different interpretation of current tax law, there is a remote possibility that the Certificates would be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax, levied at the rate of 27 per cent.

The 27 per cent. withholding tax mentioned above does not apply to payments made to a non-Italian resident holder of Certificates and to an Italian resident holder of Certificates which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution. This withholding is levied by any entities, resident in Italy, which intervene, in any way, in the collection of payment of the Certificates or in the transfer of the Certificates.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation by or for benefit of an Italian tax resident are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of four per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of six per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the six per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of eight per cent. on the entire value of the inheritance or the gift.

Transfer Tax

Article 37 of Law Decree No. 248 of 31 December 2007, converted into Law No. 28 February 2008, published on the Italian Official Gazette No. 302 of 31 December 2007, has abolished the Italian transfer tax provided for by the Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds executed in Italy are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in the case of use or voluntary registration.

Italian implementation of the EU Savings Tax Directive

Italy has implemented the EU Savings Tax Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree No. 84**”). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial

owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified Paying Agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

SUBSCRIPTION AND SALE

Notes (other than Reference Item Linked Notes) may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG London, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Royal Bank of Canada Europe Limited and UBS Limited (the “Dealers”). Reference Item Linked Notes and Certificates may be sold from time to time by the Issuer to Royal Bank of Canada Europe Limited. Securities may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Securities may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated July 18, 2011 (as amended, supplemented or replaced, the “Dealership Agreement”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Securities, the price at which such Securities will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Royal Bank of Canada Europe Limited is an affiliate of the Bank.

Canada

The Securities have not been and will not be qualified for sale under the securities laws of any province or territory of Canada.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or distributed, and that it will not offer, sell or distribute any Securities, directly or indirectly, in Canada or to, or for the benefit of any resident thereof.

If the applicable Final Terms provides that the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree, as specified in the applicable Final Terms or Drawdown Prospectus. Each relevant Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, not to distribute or deliver this Prospectus, any Drawdown Prospectus or any other offering material relating to the Securities in Canada in contravention of the securities laws of Canada or any province or territory thereof.

United States of America

Regulation S, Category 2, TEFRA D Rules apply, unless TEFRA C Rules are specified as applicable in the applicable Final Terms or unless TEFRA Rules are not applicable.

The Securities and, in certain cases, any Entitlement have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form and Certificates are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Securities, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Securities comprising the relevant Tranche (the “**Distribution Compliance Period**”), as certified to the Issuing and Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Securities to or through more than one Dealer, by each of such Dealers as to Securities of such Tranche purchased by or through it, in which case the Issuing and Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Securities during the Distribution Compliance Period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Securities comprising any Tranche, any offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the applicable Final Terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”) following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Non-exempt Offer,

in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors, as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer(s) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an Investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Selling Restrictions addressing additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Republic of France

The Issuer and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only made and will only make an offer of Securities to the public in France in the period beginning (i) when a prospectus in relation to those Securities has been

approved by the Autorité des marchés financiers (the “AMF”), on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

- (b) it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or any other offering material relating to the Securities, and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L 411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

This Prospectus has not been submitted for clearance to the AMF in France.

Republic of Italy

Unless it is specified within the applicable Final Terms that a non-exempt offer may be made in the Republic of Italy, the offering of any Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Securities may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24 1998, as amended (the “**Financial Services Act**”) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time (“**Regulation No. 11971**”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of any Securities or distribution of copies of the Prospectus or any other document relating to any Securities in Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the “**Banking Act**”); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time,

pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Provisions relating to the secondary market in Italy

Investors should note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Securities being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Securities issued by the Issuer each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the

Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance.

Switzerland

Each Dealer has acknowledged and agreed and each further Dealer appointed under the Programme will be required to acknowledge and agree as follows:

Subject to the special provisions applicable to Products (as defined below), the Securities may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Securities constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd., and neither this Prospectus nor any other offering or marketing material relating to the Securities (other than a simplified prospectus pursuant to article 5 of the Swiss Federal Act on Collective Investment Schemes (the “CISA”) relating to the Products (as defined below)) may be publicly distributed or otherwise made publicly available in Switzerland.

Other than in compliance with the requirements of article 5 of the CISA, the Securities qualifying as structured products within the meaning of the CISA (the “Products”) may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Products constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a simplified prospectus pursuant to article 5 of the CISA or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd., and neither this Prospectus nor any other offering or marketing material relating to the Products (other than a simplified prospectus pursuant to article 5 of the CISA) may be publicly distributed or otherwise made publicly available in Switzerland. Other than in compliance with the requirements of article 5 of the CISA, the Products may only be offered, sold or advertised, and this Prospectus and any other offering or marketing material relating to the Products may only be distributed in or from Switzerland by way of private placement to qualified investors within the meaning of the CISA. The Products do not constitute participations in a collective investment scheme in the meaning of the CISA. Therefore, the Products are not subject to the approval of, or supervision by, the Swiss Financial Markets Supervisory Authority FINMA (FINMA), and investors in the Products will not benefit from protection under the CISA or supervision by FINMA.

United Arab Emirates (excluding Dubai International Financial Centre)

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree as follows:

- (a) the Securities to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities; and
- (b) that the information contained in the Base Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and the information contained in the Base Prospectus is

not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

Dubai International Financial Centre

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered and will not offer the Securities to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

General

Unless otherwise specified in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Securities, or possession or distribution of any offering material in relation thereto, in such country or jurisdiction where action for that purpose is required. The Dealership Agreement provides that each Dealer will comply to the best of its knowledge with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Prospectus or any such offering material, in all cases at its own expense.

The Dealership Agreement also provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the applicable Final Terms or Drawdown Prospectus (in the case of a supplement or modification relevant only to a particular Tranche of Securities) or (in any other case) in a supplement to this document.

Persons into whose hands the Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or have in their possession or distribute such offering material, in all cases at their own expense.

GENERAL INFORMATION

1. Any Tranche of Securities which is to be listed on the Official List and to trading on the Market or the PSM will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Securities. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The listing of the Programme in respect of the Securities is expected to be granted on or about July 20, 2011.

Securities may be issued pursuant to the Programme which will not be admitted to the Official List or to trading on the Market or the PSM or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

2. The establishment of the Programme and the issue of Securities was authorised by resolutions of the Board of Directors of the Issuer passed on July 8, 1997, July 7, 1998, July 7, 1999, July 6, 2000, July 11, 2001, July 10, 2002, June 28, 2005, June 27, 2006 and April 17, 2007 and Administrative Resolutions of the Board of Directors of the Issuer adopted on October 14, 2004 as amended as of November 30, 2004, August 26, 2005, October 18, 2005, December 9, 2005, April 11, 2006, August 25, 2006, January 23, 2007, May 25, 2007, November 30, 2007, May 29, 2008, January 23, 2009 and December 3, 2009 reconvened on December 4, 2009 and December 2, 2010, respectively. The issue of Subordinated Securities is also subject to a Standing Resolution of the Board of Directors dated August 27, 2009, as amended on December 4, 2009, July 9, 2010, December 3, 2010 and July 8, 2011 or any subsequent resolution replacing such Standing Resolution as is specified in the Final Terms for any Subordinated Securities. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities.
3. Other than the litigation disclosed in the "Litigation" paragraph in (i) footnote 14 to the unaudited interim consolidated statements for the six month period ended April 30, 2011 set out on page 49 of the Bank's Second Quarter 2011 Report to Shareholders and (ii) footnote 25 to the audited annual consolidated statements for the year ended October 31, 2010 set out on page 126 of the Bank's 2010 Annual Report, and incorporated by reference herein, there are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer or any of its subsidiaries (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the twelve months prior to the date of this document, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries taken as a whole.
4. Since April 30, 2011, the last day of the financial period in respect of which the most recent unaudited interim consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial position of the Issuer and its subsidiaries taken as a whole. Since October 31, 2010, the last day of the financial period in respect of which the most recent audited published consolidated financial statements of the Bank have been prepared, there has been no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole.

5. The independent auditor of the Issuer is Deloitte & Touche LLP (“D&T”) who are Independent Registered Chartered Accountants and Licensed Public Accountants and are subject to oversight by the Canadian Public Accountability Board (“CPAB”) and Public Company Accounting Oversight Board (United States). In November 2009, D&T was accepted for transitional registration in the Register of Third Country Auditors maintained by the Professional Oversight Board in the United Kingdom in accordance with the European Commission Decision of July 29, 2008 (2008/627/EC). The European Commission has subsequently recognised the equivalence of the public oversight, quality assurance, investigation and penalty systems for auditors and audit entities in Canada to those of the Member States, in relation to audit activities concerning the annual or consolidated accounts for financial years starting from July 2, 2010 (Decision 2011/30/EU dated January 19, 2011). D&T is independent of the Bank within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accounts of Ontario and has no material interest in the Bank. The address for D&T is set out on the last page hereof.
6. The consolidated financial statements for the years ended October 31, 2010 and 2009 prepared in accordance with Canadian GAAP, were audited in accordance with Canadian generally accepted auditing standards by D&T and in accordance with the standards of the Public Company Accounting Oversight Board (United States) by D&T. D&T expressed an unqualified opinion thereon in their report dated December 2, 2010, including the additional explanatory paragraph on Canada-United States of America Reporting Difference.
7. For so long as the Programme remains in effect or any Securities shall be outstanding, copies of the following documents may be inspected during normal business hours at the specified office of the Issuing and Paying Agent and the Registrar and obtained from the executive and head offices of the Issuer, namely:
 - (i) the *Bank Act* (Canada) (being the charter of the Issuer) and by-laws of the Issuer;
 - (ii) the Issue and Paying Agency Agreement (which includes the form of the Global Securities, the Definitive Notes, the Certificates, the Coupons, the Receipt and the Talons);
 - (iii) the Dealership Agreement;
 - (iv) the Deed of Covenant for the Notes and the Deed of Covenant for the Certificates;
 - (v) the Annual Report of the Issuer for the two most recently completed fiscal years, which includes audited annual comparative consolidated financial statements of the Issuer and the auditor’s reports thereon;
 - (vi) the most recent quarterly report including the unaudited interim consolidated financial statements;
 - (vii) each Final Terms for a Tranche of Securities that is offered to the public or admitted to trading on a regulated market in any Member State of the European Economic Area in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure or admitted to trading on the PSM;
 - (viii) a copy of the Prospectus together with any supplementary listing particulars or other supplement to the Prospectus or Drawdown Prospectus; and

- (ix) a copy of the subscription agreement for Securities issued on a syndicated basis which are admitted to the Official List.

In addition, copies of this Prospectus, any documents incorporated by reference and each Final Terms relating to Securities which are admitted to trading on the Market or the PSM will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> or the National Storage Mechanism at www.hemscott.com/nsm.do. Copies of the Bank's periodic financial reports may also be available for viewing under the name of the Issuer on SEDAR at www.sedar.com. Please note that websites and urls referred to herein do not form part of the Prospectus.

8. The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records in respect of the Securities. The appropriate common code and International Securities Identification Number for the relevant Securities will be contained in the Final Terms relating thereto. If the Securities are to clear through an additional or alternative clearing system, the appropriate information (including address) will be specified in the applicable Final Terms. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.
9. The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
10. Bearer Notes and Certificates and any Coupon appertaining thereto will bear a legend substantially to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person who holds a Bearer Note or Coupon or Certificate generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note or Coupon or Certificate and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
11. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Securities.
12. The Issuer has no intention to provide any post-issuance information in relation to any issue of Securities.

GLOSSARY

\$	vi
€	vi
2009 Annual Report.....	51
2010 PD Amending Directive	v
30/360 (Floating).....	229, 237
30/360.....	78
30E/360 (ISDA).....	79, 230, 238
30E/360	77, 229, 237
360/360.....	78, 229, 237
Accrual Period	77
AcSB.....	16
Act	218, 343
Actual Exercise Date	206, 220
Actual/360.....	77, 230, 238
Actual/365 (Fixed).....	77, 230, 238
Actual/Actual (ICMA)	79
Actual/Actual (ISDA).....	77, 230, 238
Actual/Actual.....	77
Additional Amount Period	231, 238
Additional Amount.....	231, 238
Additional Disruption Event	89, 106, 132, 241, 259, 280
Additional Disruption Events.....	34
Additional Fund Disruption Event	120, 267
Adjustment Date	218
ADRs	7, 32
Adviser Resignation Event	123, 270
Affected Commodity	142, 289
Affected Equity.....	99, 100, 101, 107, 112, 115, 250, 252, 253, 260, 264, 267
Affected Fund Interest.....	125, 272
Affected Fund Share.....	134, 136, 138, 282, 283, 285
Affected Index.....	88, 90, 97, 240, 242, 246, 248
Affected Relevant Assets	119, 209
Affected Subject Currency.....	152, 299
Affiliate	89, 106, 126, 134, 207
AIF	51
ALUMINIUM-LME CASH.....	145, 292
American Style Certificates	220
AMF	357
Amortised Face Amount	86
Applicable	142, 289
Asset Transfer Notice	119
Automatic Exercise.....	22, 23, 220, 221
Automatically Exercised	221
Averaging Date	89, 107, 126, 134, 149, 241, 259, 273, 281, 297
Averaging.....	204
backwardation limits	37
backwardation.....	36
Bank Act	1, 335
Bank	i, ii, 1, 335
Banking Act.....	357
Banking Day	76
Base Prospectus.....	ii
Basket of Commodities.....	145, 293
Basket of Equities.....	108
Basket of Fund Shares	135, 282
Basket of Funds.....	126

Basket of Indices	90, 242
Basket.....	260, 273
Bearer Global Note.....	57
Bearer Global Notes	57
Bearer Notes.....	63
Bloomberg Screen.....	145, 293
Bond Basis.....	78, 229, 237
Branch of Account	163, 216
Business Day Convention	76
Business Day.....	76, 207
C\$	vi
CAD	vi
Calculation Agent Determination.....	145, 293
Calculation Agent.....	74, 77, 204
Calculation Period	228, 236
Call Equity Linked Redemption Note.....	109
Call Index Linked Redemption Note	91
Call Option Date(s).....	83
Call Option Period	83
Canadian dollars.....	vi
Canadian GAAP	iii
Cancellation Date	228, 236
Cash Adjustment	118, 222, 231
Cash Settled Certificates	204
Cash Settled.....	5, 304
Cash Settlement Amount.....	207
CBOT.....	145, 293
Certificate Conditions	ii
Certificates.....	i, 351
Change in Law.....	90, 104, 108, 120, 132, 242, 256, 260, 267, 280
CISA	359
Clearing System	207
Clearstream, Luxembourg.....	57, 65, 207
CME	146
CME	293
COCOA-NYBOT.....	142, 290
COFFEE ARABICA-NYBOT.....	142, 290
Collection Notice.....	233
Collective Investment Fund Substitute Tax	348
COMEX.....	146, 293
Commodities.....	146, 293
Commodity Business Day	146, 293
Commodity Index Cut-Off Date	146, 294
Commodity Index.....	146, 293
Commodity Linked Certificates.....	204
Commodity Linked Interest Note	63
Commodity Linked Redemption Note.....	63
Commodity Linked Securities	34
Commodity Reference Price.....	146, 294
Commodity Trading Disruption	146, 294
Commodity.....	146, 293
Common Depository	57
Common Pricing	142, 289
Common Safe-keeper	57
Component Security	90, 242
Conditions.....	63, 167, 204, 302
CONSOB	357
contango.....	36
Contractual Currency.....	162
control.....	89, 107, 126, 134, 207

controlled by	89, 107, 126, 134, 207
controls	89, 107, 126, 134, 207
COPPER-LME CASH	145, 292
CORN NO. 2 YELLOW-CBOT	142, 290
COTTON NO. 2-NYBOT	143, 290
Coupons	66
CPAB	362
CRA Regulation	50
Credit Linked Notes	64
Currency Linked Certificates	204
Currency Linked Interest Note	63
Currency Linked Redemption Note	63
Currency Linked Securities	44
Currency Price	150, 297
Cut-Off Date	119, 226, 233
D&T	362
D ₁	78, 79, 229, 230, 237, 238
D ₂	78, 79, 229, 230, 237, 238
daily limits	37
Day Count Fraction	77
DBRS	vi
Dealers	354
Dealership Agreement	354
Decree No. 239	347
Decree No. 84	352
Deed of Covenant	62, 203
Default Rate	74
Definitive Notes	64
Delayed Date	158
Delayed Publication or Announcement	146, 294
De-listing	103, 106, 108, 130, 255, 258, 260, 277
Delivery Date	117, 146, 294
Deposit Agreement	108, 260
Deposit Notes	i
Depository Receipts	7, 32
Depository	108, 260
Designated Maturity	74
Determination Date	80
Determination Period	80
DFSA	360
Disappearance of Commodity Reference Price	146, 294
Disrupted Day	90, 106, 108, 135, 242, 258, 261, 282
Disruption Cash Settlement Price	119, 208
Disruption Fallback	140, 287
Distribution Compliance Period	355
DR Amendment	108, 261
DR Substitution Criteria	108, 261
Drawdown Prospectus	ii
Dual Currency Note	64
Early Closure	93, 245
EEA State	1
EEA	vi
Election Notice	118
English Law Certificates	219
Entitlement	119, 207
Equity Issuer	109, 261
Equity Linked Certificates	204
Equity Linked Redemption Note	63
Equity Linked Securities	31
Equity Substitution Criteria	109, 261

Equity Substitution	99, 100, 101, 250, 251, 252
Equity	109, 261
Established Rate	218
ETF	135, 282
ETFs	40
EUR	vi
EURIBOR	73
Euro FX Rate	158, 212
euro	vi, 101, 218, 253
Eurobond Basis	77, 229, 237
Euroclear	57, 65, 207
Eurodollar Convention	77
European Economic Area	vi, 62, 203
European Style Certificates	220
Eurosystem	20
Euro-zone	80
Event of Default	152, 211
Exchange Business Day	91, 106, 109, 135, 243, 258, 261, 283
Exchange Date	57, 60
exchange date	69
Exchange Disruption	94, 245
Exchange rate risks and exchange controls	45
Exchange	90, 109, 135, 147, 242, 258, 261, 282, 294
Excluded Holder	164, 217
Exercisable Certificates	i, 204
Exercise Business Day	219
Exercise Notice Delivery Date	227
Exercise Notice	223
Expenses	21, 119, 214
Failure to Deliver due to Illiquidity	118, 209
Failure to Deliver Notice	119
Failure to Deliver Settlement Price	119, 209
Failure to Deliver	119
Fallback Reference Price	147, 294
FIEA	358
Final Redemption Amount	91, 109
Final Terms	ii, 62, 203, 204
Financial Centre	80
Financial Intermediaries	192
Financial Services Act	357
First Nearby Month	148, 295
First Notice Date	147, 294
Fitch	vi
Fixed Interest Period	70
Fixed Rate Note	63
Floating Rate Note	63
Floating Rate Option	74
Floating Rate	74
Following Business Day Convention	76
Forfeiture Date	67
FRN Convention	77
FSMA	i
Full Lookthrough Depository Receipt Provisions	256
Fund Administrator Disruption	124, 271
Fund Administrator	126, 273
Fund Adviser	126, 274
Fund Disruption Event	121, 268
Fund Documents	126, 274
Fund Event	42, 120, 267
Fund Extraordinary Event	121, 269

Fund Hedging Disruption	120, 268
Fund Insolvency Event	122, 269
Fund Interest.....	126, 274
Fund Linked Certificates.....	204
Fund Linked Interest Note	63
Fund Linked Redemption Note.....	63
Fund Modification	123, 270
Fund Potential Adjustment Event	125, 272
Fund Redemption Valuation Date	126, 274
Fund Service Provider Cessation	124, 271
Fund Service Provider	127, 274
Fund Settlement Disruption	121, 268
Fund Share	135, 283
Fund Valuation Date.....	127, 274
Fund Valuation Disruption	121, 268
Fund	126, 273, 348
Futures Contract.....	147, 295
FX Business Day	150, 298
FX Disrupted Day	150, 298
FX Market Disruption Event.....	150, 298
FX Price Source Disruption	150, 298
FX Price Source(s)	150, 298
FX Trading Suspension or Limitation	150, 298
GDRs	7, 32
Global Certificate	59, 205
Global Certificates	59, 205
Global Note.....	63
Global Registered Note	58
Gold	147, 295
GOLD-P.M. FIX	144, 292
Hedging Disruption	91, 109, 133, 243, 261, 280
Hedging Entity	91, 109, 127, 135, 208
Holder	66, 206
Holder	68
Hypothetical Investor	127, 274
ICE	147, 295
IFRS	iii
Inconvertibility Event.....	151, 298
Incorporated Documents	ii
Increased Cost of Hedging	91, 109, 121, 133, 243, 261, 268, 280
Index Adjustment Event.....	87, 239
Index Adjustment Events.....	141, 289
Index Cancellation	87, 239
Index Disruption.....	87, 239
Index Linked Certificates	204
Index Linked Interest Note.....	63
Index Linked Redemption Note	63
Index Linked Securities	29
Index Modification.....	87, 239
Index Sponsor.....	92, 147, 202, 243, 295, 333
Index Substitution Criteria	92, 243
Index Substitution	68, 240
Index	92, 243, 333
Indices	92, 243
Initial Level.....	92, 243
Initial Price	110, 127, 135, 261, 283
Insolvency Filing	104, 110, 133, 256, 262, 280
Insolvency.....	103, 106, 110, 121, 130, 255, 258, 261, 269, 277
Instalment Amount.....	66
Instalment Amounts	191

Instalment Dates.....	191
Instalment Note.....	63
Instalment Notes.....	66
Interbank Market.....	151, 299
Interest Amount(s).....	74
Interest Commencement Date.....	80
Interest Determination Date.....	80
Interest Payment Date.....	71, 80
Interest Period.....	80
Intermediary.....	349
Intervening Period.....	117, 222, 232
In-The-Money.....	219
Inverse Floating Rate Note.....	64
Investor.....	i
Investor's Currency.....	48
ISDA Definitions.....	80
ISDA Rate.....	73
Issue and Paying Agency Agreement.....	62, 203
Issue Date.....	80
Issuer.....	i, 62, 203
Issuing and Paying Agent.....	62, 203
LBMA.....	147, 295
LEAD-LME CASH.....	145, 292
LEAN HOGS-CME.....	143, 290
Least Performer.....	92, 110, 243, 262
LIBOR.....	73
limit price.....	139, 287
Listing Particulars.....	ii
LIVE CATTLE-CME.....	143, 290
LME.....	37, 147, 295
London Gold Market.....	147, 295
London Silver Market.....	147, 295
London Stock Exchange.....	i
longer-dated commodity contracts.....	36
LPPM.....	147, 295
M ₁	78, 79, 229, 230, 237, 238
M ₂	78, 79, 229, 230, 237, 238
Market Disruption Event.....	92, 106, 110, 128, 139, 243, 259, 262, 275, 286
Market Disruption.....	258
Market.....	i
Markets in Financial Instruments Directive.....	i
Material Change in Content.....	147, 295
Material Change in Formula.....	148, 295
Material Underlying Event.....	131, 278
Merger Date.....	111, 131, 263, 278
Merger Event.....	103, 106, 111, 131, 255, 258, 263, 278
Minimum Tradeable Amount.....	208
Minimum Trading Size.....	81
MMBTU.....	148, 295
MMBtu.....	148, 295
mmbtu.....	148, 295
Modified Business Day Convention.....	76
Modified Following Business Day Convention.....	76
Moody's Canada.....	v
Moody's USA.....	vi
Multi-Exchange Index.....	94, 246
National Currency Unit.....	218
Nationalisation.....	103, 106, 111, 121, 131, 255, 258, 263, 269, 278
NATURAL GAS-HENRY HUB-NYMEX.....	144, 291
NAV Trigger Event.....	122, 270

NAV Trigger	127, 274
Nearby Month	148, 295
near-dated commodity contracts	36
necessary information	55
NGN	57
NICKEL-LME CASH	145, 293
non-EU CRAs	vi
Non-exempt Offer	355
Non-resident Holder	343
Not Applicable.....	142, 289
Note Conditions	ii
Notes	i, 345, 348
NYBOT	148, 295
NYMEX	148, 295
Observation Date(s)	94, 111, 135, 246, 263, 283
Observation Period	95, 112, 136, 151, 247, 264, 283, 299
offer of Securities to the public	356
Offer Period	193
Offeror.....	i
Official List	i
OIL-BRENT-IPE.....	144, 292
OIL-WTI-NYMEX	144, 291
Open-Ended Certificates	220
original currency	158, 217
Outstanding Principal Amount	81
Paid Up Amount.....	66
Palladium	148, 296
Partial Amount	99, 251
Participating Debt Interest	344
Partly Paid Note.....	64
Partly Paid Notes	66
Paying Agents.....	62, 203
Payment Date	158
Permanent Global Certificate	59, 205
Permanent Global Note	57, 64
Physical Delivery Certificates	204
Physical Delivery Notes	4
Physical Delivery	5, 304
Physical Settlement Value	20
Platinum.....	148, 296
PLATINUM-P.M. FIX	144, 292
PNC	341
Postponement.....	148, 296
Potential Adjustment Event	102, 104, 112, 129, 254, 256, 264, 276
Preceding Business Day Convention	77
prescribed obligation	344
Price Source Disruption.....	148, 296
Price Source	148, 296
Pricing Date	149, 297
Principal Protected	95, 113
Proceedings.....	165, 219
Products.....	359
Programme	i, 3
Prospectus Directive.....	ii, v, 167, 302, 356
Prospectus.....	ii
Protection Amount	95, 113
PSM	i
Public Offer Jurisdictions	192
Put Equity Linked Redemption Note	91, 109
Put Notice	84, 233

Quota	227
Rate of Interest	81
Receipts	66
Record Date	157
Redeemable Certificates	i, 204
Redeemable Securities	345
Redemption Amount	85
Redemption Date	208
Reference Date	86
Reference Entity	43
Reference Item Linked Certificates	5
Reference Item Linked Notes	4, 64
Reference Item Linked Securities	5
Reference Item	i, 4, 5, 64
Reference Level	95, 247
Reference Price	113, 136, 265, 283
Registered Notes	63
Registrar	62
Regulation No. 11971	357
Regulation S	116
Regulations	343
Regulatory Action	123, 270
Related Agreement Termination	124, 271
Related Exchange	96, 106, 114, 137, 247, 259, 265, 284
Relevant Account Holder	65
Relevant Assets	120
Relevant Banking Day	69
Relevant Date	153
Relevant Implementation Date	355
Relevant Jurisdiction	164, 217
Relevant Member State	iv, 166, 301, 355
Relevant Price	149, 297
Relevant Time	81
Removal Date	127, 274
Removal Value	127, 274
Replacement Agent	160
Replacement DRs	114, 266
Replacement Fund Interest	125, 125, 272
Reporting Disruption Period	127, 275
Reporting Disruption	123, 271
Reset Date	74
Reuters Screen	81, 149, 297
Reuters	149, 297
Reverse Merger	111, 131, 263
roll	36
rolling	35, 36
Rolling	36
S&P Canada	v
S&P USA	vi
Savings Tax Directive	47, 347
Scheduled Averaging Date	96, 114, 137, 247, 266, 284
Scheduled Closing Time	96, 106, 114, 137, 247, 258, 266, 285
Scheduled Fund Redemption Valuation Date	127, 275
Scheduled Fund Valuation Date	128, 275
Scheduled Observation Date	96, 114, 137, 247, 266, 285
Scheduled Payment Date	158
Scheduled Trading Day	96, 106, 114, 137, 248, 258, 266, 285
Scheduled Valuation Date	96, 114, 151, 248, 266, 299
Second Nearby Month	148
Second Nearby Month	295

Securities Act.....	116, 355
Securities.....	i
SEDAR.....	53
Series.....	62, 203
Settled Currency.....	48
Settlement Business Day.....	209, 306
Settlement Date.....	208
Settlement Disruption Event.....	120, 209
SICAV.....	348
Silver.....	149, 297
SILVER-FIX.....	144, 292
SOYBEANS-CBOT.....	143, 291
Specified Financial Centre(s).....	151, 299
Specified Price.....	149, 297
Strategy Breach.....	123, 270
Subordinated Notes.....	i
Substitute Equity.....	99, 100, 101, 250, 252, 253
Substitute Index.....	88, 240
Successor Index Sponsor.....	87, 141, 239, 288
Successor Index.....	87, 141, 239, 288
SUGAR # 11 (WORLD)-NYBOT.....	143, 291
Superintendent.....	164
Talon.....	66
TARGET Business Day.....	81
taxes.....	164, 217
TEFRA C Rules.....	64, 205
TEFRA D Rules.....	64, 205
Temporary Global Certificate.....	59, 205
Temporary Global Note.....	57, 64
Tender Offer Date.....	132, 279
Tender Offer.....	103, 106, 114, 131, 255, 258, 266, 279
Terms and Conditions.....	204
the Bank.....	1
Trade Date.....	96, 114, 137, 248, 266, 285
Trading Disruption.....	94, 245
Tranche.....	62, 203
Tranches.....	62, 203
Transaction.....	202, 333
transfer date.....	69
Treaty.....	218
U.S. dollars.....	vi
U.S.\$.....	vi
UK Act.....	345
UK Listing Authority.....	i
Underlying Equity Issuer.....	114, 266
Underlying Equity.....	114, 266
Underlying Index.....	137, 285
United States Dollars.....	vi
United States.....	68
US GAAP.....	54
USD.....	vi
Valid Date.....	90, 108, 135, 242, 260, 282
Valuation Cut-Off Date.....	151, 299
Valuation Date.....	96, 114, 128, 137, 248, 266, 275, 285, 299
Valuation Time.....	97, 115, 128, 138, 152, 249, 267, 275, 286, 300
Weighting.....	98, 115, 128, 138, 249, 267, 275, 286
WHEAT-CBOT.....	143, 291
Y ₁	78, 79, 229, 230, 237, 238
Y ₂	78, 79, 229, 230, 237, 238
Zero Coupon Note.....	63

ZINC-LME CASH..... 145, 293

ROYAL BANK OF CANADA

HEAD OFFICE

4th Floor, South Wing
1 Place Ville Marie
Montréal, Québec
Canada H3C 3A9

EXECUTIVE OFFICES

Royal Bank Plaza
South Tower, 8th Floor
200 Bay Street
Toronto, Ontario
Canada M5J 2J5

MAIN TORONTO BRANCH

200 Bay Street
Toronto, Ontario
Canada M5J 2J5

LONDON BRANCH

71 Queen Victoria Street
London EC4V 4DE
England

DEALERS FOR NOTES (other than Reference Item Linked Notes)

Royal Bank of Canada Europe Limited

71-71A Queen Victoria Street
London EC4V 4DE
England

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Credit Suisse Securities (Europe) Limited

One Cabot Square
London E14 4QJ

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
England

HSBC Bank plc

8 Canada Square
London E14 5HQ
England

J.P. Morgan Securities Ltd.

125 London Wall
London EC2Y 5AJ
England

Merrill Lynch International

Financial Centre
2 King Edward Street
London EC1A 1HQ
England

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
England

UBS Limited

1 Finsbury Avenue
London EC2M 2PP
England

DEALER FOR CERTIFICATES AND REFERENCE ITEM LINKED NOTES

Royal Bank of Canada Europe Limited

71-71A Queen Victoria Street
London EC4V 4DE
England

ISSUING AND PAYING AGENT AND REGISTRAR

Royal Bank of Canada

71 Queen Victoria Street
London EC4V 4DE
England

LEGAL ADVISERS

to the Issuer

Norton Rose OR LLP
3 More London Riverside
London SE1 2AQ
England

to the Dealers

Stikeman Elliott LLP
Dauntsey House
4B Frederick's Place
London EC2R 8AB
England

to the Issuer as to English law

Allen & Overy LLP

One Bishops Square
London E1 6AD
England

ARRANGERS

Royal Bank of Canada Europe Limited

71-71A Queen Victoria Street
London EC4V 4DE
England

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
England

INDEPENDENT AUDITOR

to the Bank
Deloitte & Touche LLP
Suite 1400 Brookfield Place
181 Bay Street
Toronto, Ontario
Canada M5J 2V1