

## **FINAL TERMS**

12 May 2008

**BBVA Senior Finance, S.A. Unipersonal**

**Issue of EUR 1,150,000 Fixed Interest and Automatic Redeemable Equity Linked Notes due  
May 2013**

**Guaranteed by Banco Bilbao Vizcaya Argentaria, S.A.**

**under the €40,000,000,000**

**Global Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 11<sup>th</sup> June, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**), as supplemented by the Supplement dated 1<sup>st</sup> August, 2007, the supplement dated 14<sup>th</sup> November, 2007, the supplement dated 25<sup>th</sup> January, 2008 and the supplement dated 1<sup>st</sup> May, 2008 constituting supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular, as supplemented by the Supplements. 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 Offering Circular, as supplemented by the Supplements. The Offering Circular and the supplementals are available for viewing at the office of the Issuer at Gran Vía, 1, Bilbao, Spain and Paseo de la Castellana, 81, 28046, Madrid, Spain and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

*Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Underlying Fund Basket based upon such investigations and not in reliance upon any information given in this document.*

*No person has been authorised to give any information or make any representation not contained in or not consistent with these Final Terms, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.*

*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, the Guarantor 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 terms and 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, the Guarantor 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. None of the Issuer, the Guarantor and any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.*

- |     |   |   |
|-----|---|---|
| 1.  | (a) Issuer:   | BBVA Senior Finance, S.A. Unipersonal   |
|     | (b) Guarantor:  | Banco Bilbao Vizcaya Argentaria, S.A.   |
| 2.  | (a) Series Number:  | 63  |
|     | (b) Tranche Number:                                       | 1   |
| 3.  | Specified Currency or Currencies:                         | Euro (“EUR”)  |
| 4.  | Aggregate Nominal Amount:                                 |   |
|     | (a) Series:   | EUR 1,150,000   |
|     | (b) Tranche:  | EUR 1,150,000   |
| 5.  | Issue Price of Tranche:                                   | 100.00 per cent. of the Aggregate Nominal Amount  |
| 6.  | (a) Specified Denominations:                              | EUR 50,000  |
|     | (b) Calculation Amount                                    | EUR 50,000  |
| 7.  | (a) Issue Date:   | 21 May 2008   |
|     | (b) Interest Commencement Date:                           | 21 May 2008   |
| 8.  | Maturity Date:  | 21 May 2013, subject to adjustment in accordance with the Following Business Day Convention and subject to Automatic Early Redemption as specified in Annex 1 |
| 9.  | Interest Basis:   | Fixed Rate (Further particulars specified in provisions 15)   |
| 10. | Redemption/Payment Basis:                                 | Equity Linked Redemption (see Annex 1)  |
| 11. | Change of Interest Basis or Redemption/<br>Payment Basis: | Not Applicable  |
| 12. | Put/Call Options:   | Not Applicable  |

- |     |     |   |                |
|-----|-----|---|----------------|
| 13. | (a) | Status of the Notes:  | Senior         |
|     | (b) | Status of the Guarantee:  | Senior         |
|     | (c) | Date Board approval for issuance of Notes and Guarantee obtained: | Not Applicable |
| 14. |     | Method of distribution:   | Non-syndicated |

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

- |     |  |   |
|-----|--|---|
| 15. | Fixed Rate Note Provisions             | Applicable  |
|     | (a)                                    | Fixed Rate(s):<br>The Notes shall pay a Fixed Rate of 25% per Specified Denomination payable on the Fixed Rate Payment Date, amounting to EUR 12,500 per Specified Denomination |
|     | (b)                                    | Fixed Rate Payment Date:<br>28 May 2008, subject to adjustment, for payment purposes only, to the Following Business Day Convention   |
|     | (c)                                    | Fixed Interest Amount(s):<br>EUR 12,500 per Specified Denomination  |
|     | (d)                                    | Broken Amount(s):<br>Not Applicable   |
|     | (e)                                    | Day Count Fraction:<br>Not Applicable. For the avoidance of any doubt, the Fixed Interest Amount calculation does not take into account any Day Count Fraction                  |
|     | (f)                                    | Determination Date(s):<br>Not Applicable  |
|     | (g)                                    | Other terms relating to the method of calculating the Fixed Interest Amount for Fixed Rate Notes:<br>None   |
| 16. | Floating Rate Note Provisions          | Not Applicable  |
| 17. | Zero Coupon Note Provisions            | Not Applicable  |
| 18. | Index Linked Coupon Provisions         | Not Applicable  |
| 19. | Dual Currency Interest Note Provisions | Not Applicable  |
| 20. | Other structured Notes                 | Not Applicable  |

**PROVISIONS RELATING TO REDEMPTION**

- |     |   |  |
|-----|---|--|
| 21. | Issuer Call   | Not Applicable   |
| 22. | Investor Put  | Not Applicable   |
| 23. | Final Redemption Amount of each Note:   | See Annex 1. The Final Redemption Amount is linked to the performance of the shares of Banco Bilbao Vizcaya Argentaria, S.A. (“Share <sub>1</sub> ”), Banco Santander S.A. (“Share <sub>2</sub> ”) and Iberdrola S.A. (“Share <sub>3</sub> ”). |
| 24. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): | As in Condition 7(e)   |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |  |   |
|-----|--|---|
| 25. | Form of Notes:   | <p>Bearer Notes:</p> <p>Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event</p> |
| 26. | New Global Note (NGN):   | No  |
| 27. | Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | TARGET  |
| 28. | Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):   | No  |
| 29. | 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 of failure to pay, including any right of the Issuer to forfeit the Notes and coupon due on late payment: | Not Applicable  |
| 30. | Details relating to Instalment Notes:  | Not Applicable  |
| 31. | Redenomination applicable:   | Not Applicable  |
| 32. | Other terms or special conditions:   | For avoidance of any doubt, the calculations will be made per Specified Denomination. The issue   |

could be automatically early redeemed according to Annex 1.

## **DISTRIBUTION**

- |     |  |                                       |
|-----|--|---------------------------------------|
| 33. | (a) If syndicated, names of Managers:                                      | Not Applicable                        |
|     | (b) Stabilising Manager (if any):  | Not Applicable                        |
| 34. | If non-syndicated, name of relevant Dealer:                                | Banco Bilbao Vizcaya Argentaria, S.A. |
| 35. | Total commission and concession:   | Not Applicable                        |
| 36. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D                               |
| 37. | Additional selling restrictions:   | Not Applicable                        |
| 38. | Condition 17 applies:  | Yes                                   |

## LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the €40,000,000,000 Global Medium Term Note Programme of the Issuer.

## RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:  .....

*Duly authorised*

Signed on behalf of the Guarantor:

By:  .....

*Duly authorised*

## **PART B – OTHER INFORMATION**

### **1. LISTING**

- |       |   |   |
|-------|---|---|
| (i)   | Listing:  | London Stock Exchange   |
| (ii)  | Admission to trading:                                       | Application has been made for the Notes to be admitted to trading on Gilt Edged and Fixed Interest Market with effect from 21 May 2008. |
| (iii) | Estimate of total expenses related to admission to trading: | GBP 505   |

### **2. RATINGS**

- |          |   |
|----------|---|
| Ratings: | The Notes to be issued have been rated: |
|          | S & P: AA                               |
|          | Moody's: Aa1                            |
|          | Fitch: AA-                              |

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

So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

### **4. PERFORMANCE OF UNDERLYING, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

The past and future prices in respect of the relevant Shares and background information can be obtained from the relevant Exchange, and from their corresponding Bloomberg Screen Page.

The Issuer does not intend to provide post-issuance information in respect of the Shares, except if required to do so by applicable laws and regulations.

The attention of potential purchasers of the Notes is drawn to the Risk Factors set out in the Base Prospectus and they should note that the return of principal in respect of the Notes described herein is linked to the value of three equity securities. Movements in the value of any of the equity securities may adversely affect the value of the Notes and could result in the Noteholders receiving, upon final redemption, an amount that may be less than the principal amount of the Notes (the minimum amount to be received will be 0% of the principal amount of the Notes).

The reference to Issue Price is not an expression of market value and does not imply that transactions in the market will not be executed at prices above or below such Issue Price to reflect prevailing market conditions.

Redemption of the Notes:

The Notes may be redeemed on any relevant Early Redemption Date at an amount higher than par if all shares of the basket close on the relevant Observation Date at or higher than 100% of its closing price on 30 April 2008.

On the Maturity Date, in case there is no Early Redemption, the Notes may be redeemed at an amount higher than par as long as every Share of all shares of the basket close on the relevant Observation Date at or higher than 100% of its closing price on 30 April 2008. Otherwise, the Notes may be redeemed at an amount which will be lower than EUR 50,000 per Calculation Amount on the Maturity Date, with a minimum of EUR 0,00.

## **5. OPERATIONAL INFORMATION**

- |       |   |                                       |
|-------|---|---------------------------------------|
| (i)   | Intended to be held in a manner which would allow Eurosystem eligibility: | No                                    |
| (ii)  | ISIN Code:  | XS0362700808                          |
| (iii) | Common Code:  | 036270080                             |
| (iv)  | CUSIP:  | Not Applicable                        |
| (v)   | Clearing systems:   | Euroclear and Clearstream, Luxembourg |
| (vi)  | Delivery:   | Delivery against payment              |
| (vii) | Names and addresses of additional Paying Agent(s) (if any):               | Not Applicable                        |

## **6. ADDITIONAL SPANISH TAX PROVISIONS**

Based on the new Royal Decree-Law 2/2008 of April 21<sup>st</sup> on measures to promote the economy, income obtained by note holders through countries or territories considered as Tax Havens pursuant to Royal Decree 1080/1991 of 5th July, 1991 is exempt from Non-Resident Income Tax.

In order to apply this exemption information obligations of Section 44 of Spanish Royal Decree 1065/2007 of 27 July 2007 need to be fulfilled.



## **ANNEX 1**

*(This Annex forms part of the Final Terms to which it is attached)*

### **1. Automatic Early Redemption Amount**

The Notes shall be redeemed in accordance with the following formula and on the following dates:

- (i) If the Calculation Agent determines that  $\min_{i=1}^{i=3} \left( \frac{Share_{i,1}}{Share_{i,0}} \right) \geq 1$ , then the Notes shall be redeemed by the Issuer on the First Early Redemption Date at an amount (the “Early Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 109.50%**

- (ii) If the Calculation Agent determines that  $\min_{i=1}^{i=3} \left( \frac{Share_{i,2}}{Share_{i,0}} \right) \geq 1$ , then the Notes shall be redeemed by the Issuer on the Second Early Redemption Date at an amount (the “Early Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 119.00%**

- (iii) If the Calculation Agent determines that  $\min_{i=1}^{i=3} \left( \frac{Share_{i,3}}{Share_{i,0}} \right) \geq 1$ , then the Notes shall be redeemed by the Issuer on the Third Early Redemption Date at an amount (the “Early Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 128.50%**

### **2. Final Redemption Amount**

Unless the Notes have been previously redeemed as specified above, the Notes shall be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount determined by the Calculation Agent as follows:

- (i) If, on the Final Observation Date, the Calculation Agent determines that  $\min_{i=1}^{i=3} \left( \frac{Share_{i,4}}{Share_{i,0}} \right) \geq 1$  then the Notes shall be redeemed by the Issuer on the Maturity Date at an amount (the “Final Redemption Amount”) calculated by the Calculation Agent as follows:

**Specified Denomination \* 138%**

- (i) If, on the Final Observation Date, the Calculation Agent determines that  $\min_{i \rightarrow 1}^{i=3} \left( \frac{Share_{i,4}}{Share_{i,0}} \right) < 1$ , then the Notes shall be redeemed by the Issuer on the Maturity Date at an amount (the “Final Redemption Amount”) calculated by the Calculation Agent as follows:

$$\text{Specified Denomination} * \left[ 1 - \left( \text{Barrier Factor} \times \max_{i \rightarrow 1}^{i=3} \left( \frac{Share_{i,0} - Share_{i,4}}{Share_{i,0}} \right) \right) \right]$$

### 3. Definitions

For the purpose of these Final Terms:

“**Business Day for Fixing**” means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the “**TARGET System**”) is open.

“**Business Day for Payment**” means a day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET) system (the “**TARGET System**”) is open.

“**Barrier Factor**” means 1 if the Closing Price of any Share “i”, with i=1,2,3, on the Final Observation Date is equal to or below the Barrier Level.

“**Barrier Level**” means, for each Share “i”, 60% of  $Share_{i,0}$ .

“**Calculation Agent**” means Banco Bilbao Vizcaya Argentaria, S.A.

“**Closing Price**” means the official closing price of the Share on each Scheduled Trading Day as quoted on the Exchange.

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

If any Valuation Date is a Disrupted Day, and in the event that the Calculation Agent determines that a Market Disruption Event has occurred, the Valuation Date shall be the first succeeding Scheduled Trading Day that it is not a Disrupted Day relating to the Share, unless on each of the eight Scheduled Trading Days immediately following the scheduled Valuation Date there is a Disrupted Day relating to the Share. In that case, (i) that eight Scheduled Trading Day shall be deemed to be the Valuation Date for the Share notwithstanding the Market Disruption Event, and (ii) the Calculation Agent shall determine its good faith estimate of the Scheduled Valuation Date traded price for the Share affected by a Market Disruption Event that would have prevailed but for that Market Disruption Event as of the Valuation Time on that second Scheduled Trading Day.

“**Early Redemption Date**” means each of 21 May 2010 (the “First Early Redemption Date”), 23 May 2011 (the “Second Early Redemption Date”) and 21 May 2012 (the “Third Early Redemption Date”), subject to adjustment for payment only in accordance with the Following Business Day Convention.

“**Exchange**” means the Madrid Stock Exchange or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).

**"Market Disruption Event"** means the occurrence or existence of (i) a Trading Disruption, (ii) 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 relevant Valuation Time, or (iii) an Early Closure.

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

(ii) **"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 (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share on any relevant Related Exchange.

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

**"Observation Date"** means, subject to the occurrence of a Disrupted Day, each of 14 May 2010 (the "Observation Date<sub>1</sub>"), 16 May 2011 (the "Observation Date<sub>2</sub>"), 14 May 2012 (the "Observation Date<sub>3</sub>") and 14 May 2013 (the "Final Observation Date") or if such day is not a Scheduled Trading Day with respect to any Share<sub>i</sub>, then the next following day which is a Scheduled Trading Day with respect to such Share<sub>i</sub> shall be the relevant Observation Date with respect to such Share<sub>i</sub> and, with respect to all other Shares, the Observation Date should also be changed, so that the Observation Date for all the shares is the same.

**"Related Exchange"** means in respect of the Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures and options contracts relating to such share.

**"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.

**"Share<sub>i</sub>"** means each of the following with i from 1 to 3 as set out in the table below: share of Banco Bilbao Vizcaya S.A. listed on the Exchange (ISIN: ES0113211835), share of Banco Santander, S.A. listed on the Exchange (ISIN: ES0113900J37); and share of Iberdrola S.A. listed on the Exchange (ISIN: ES0144580018), for the purpose of displaying such value, or as determined by the Calculation Agent, and **"Shares"** shall mean such shares collectively.

i	Share <sub>i</sub>	ISIN Code	Bloomberg Code	Exchange
1	Banco Bilbao Vizcaya Argentaria, S.A.	ES0113211835	BBVA SM	Madrid Stock Exchange
2	Banco Santander, S.A.	ES0113900J37	SAN SM	Madrid Stock

				Exchange
3	Iberdrola, S.A.	ES0144580018	IBE SM	Madrid Stock Exchange

“Share<sub>i,0</sub>” means the Closing Price of the Share<sub>i</sub> on 30 April 2008.

“Share<sub>i,1</sub>” means the Closing Price of the Share<sub>i</sub> on the Observation Date<sub>1</sub>.

“Share<sub>i,2</sub>” means the Closing Price of the Share<sub>i</sub> on the Observation Date<sub>2</sub>.

“Share<sub>i,3</sub>” means the Closing Price of the Share<sub>i</sub> on the Observation Date<sub>3</sub>.

“Share<sub>i,4</sub>” means the Closing Price of the Share<sub>i</sub> on the Final Observation Date.

“**Valuation Time**” means, in relation to each Share, the Scheduled Closing Time on the relevant Exchange on the relevant Scheduled Trading Day. 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.

“**Valuation Date**” means any of or all of Observation Dates, or if any such day is not an Scheduled Trading Day, the immediately following day that is an Scheduled Trading Day unless there is a Disrupted Day on such day.

“**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.

#### 4. Potential Adjustments Events and Extraordinary Events

In this provision, the following terms will have the following meaning:

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

- (i) a subdivision, consolidation or reclassification of Shares (unless resulting in a Merger Event) or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share 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 (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend to existing holders of any Shares;
- (iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Share Issuer leading of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of the Share Issuer, an event that results in any shareholder right being distributed or becoming separated from shares of common stock or other shares of capital

stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provide 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 adjustments effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- (v) any other event that may have, as determined by the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares.

Following a Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion and in accordance with market practice, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustments, if any, to be made to the Final Redemption Amount, Early Redemption amount and/or any other variable relevant to the calculation thereof and/or any of the other terms of these Conditions as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to that adjustment in respect of such Potential Adjustment Event made by a Related Exchange to options on the Shares traded on that Related Exchange.

## **B. "Extraordinary Event"**

**"Extraordinary Event"** means a Merger Event, Tender Offer, Nationalization, Insolvency, Delisting or any applicable Additional Disruption Event, as the case may be.

### **(i) Merger Event**

**"Merger Event"** means, in respect of any relevant Shares (the "Merged Share"), any (i) reclassification or change of any of the Shares that results in a transfer of or an irrevocable commitment to transfer all of the outstanding Shares, (ii) consolidation, amalgamation or merger of the Share Issuer with or into another entity (other than a consolidation, amalgamation or merger in which the Share Issuer is the continuing entity and which does not result in any such reclassification or change of all outstanding Shares of such Share Issuer) or (iii) other take-over offer for the Shares of any Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such entity), in each case if the Merger Date is on or before the Final Reference Date.

**"Merger Date"** means, in respect of a Merger Event, the date upon which all holders of the relevant Shares (other than, in the case of a take-over offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares.

Following a Merger Event, then on or after the relevant Merger Date, the Calculation Agent shall either (i)(a) make such adjustments to the exercise, settlement, payment or any other terms as the Calculation Agent determines appropriate to account for the economic effect on the notes of such Merger Event, which may, but need not, be determined by reference to adjustment(s) made in respect of such Merger Event by an options exchange to options of the relevant shares traded on such options exchange and (b) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, notify the parties that the relevant consequence shall be the early redemption of the Notes and the Issuer will pay an amount to the Noteholder, all as determined by the Calculation Agent in its sole and absolute discretion.

### **(ii) Tender Offer**

**"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% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such information as the Calculation Agent deems relevant.

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

Following a Tender Offer, then on or after the relevant Tender Offer Date, the Share Issuer and the Shares will not change but the Calculation Agent shall either (i)(a) make such adjustments to the exercise, settlement, payment or any other terms as the Calculation Agent determines appropriate to account for the economic effect on the notes of such Tender Offer, which may, but need not, be determined by reference to adjustment(s) made in respect of such Tender Offer by an options exchange to options of the relevant shares traded on such options exchange and (b) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, notify the parties that the relevant consequence shall be the early redemption of the Notes and the Issuer will pay an amount to the noteholders as determined by the Calculation Agent in its sole and absolute discretion.

### **(iii) Nationalization, Insolvency and Delisting**

The following terms have the meanings given below:

- (i) **"Nationalisation"** means that all the Shares of a Share Issuer or all the assets or substantially all the assets of a Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.
- (ii) **"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting a Share Issuer (i) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares become legally prohibited from transferring them.
- (iii) **"Delisting"** means that the Shares cease for any reason to be listed on the Exchange and as of the date of such de-listing are not listed on any other recognised stock exchange or quotation system in the same jurisdiction as the Exchange.

If Nationalization, Insolvency or Delisting occurs in relation to a Share, the Issuer shall redeem the Notes early. If the Note is so redeemed the Issuer will pay an amount to the Noteholder, all as determined by the Calculation Agent in its sole and absolute discretion..

### **(iv) "Additional Disruption Event"** means any of the events set forth below:

- (i) **"Change in Law"** means that after the Issue Date (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by tax authority), the Calculation Agent determines in its sole and absolute discretion that (i) it has become illegal to hold, acquire or dispose the underlying share or (ii) it will incur a materially increased cost of performing its obligations under the notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect in its tax position of the Issuer of the notes and/or any of its affiliates.

If Change in Law occurs, the consequence shall be the early redemption of the Notes and the Issuer shall redeem the Notes early.. If the Note is so redeemed the Issuer will pay an amount to the Noteholder, all as determined by the Calculation Agent in its sole and absolute discretion.

## **5. Notifications**

**Notice to Issuer:** As soon as reasonably practicable after calculating or otherwise determining any share-linked interest amount (if any), the early redemption amount, the mandatory early redemption amount or the final redemption amount, as the case may be, the Calculation Agent shall give notice of the relevant amount to the Issuer.

**Notice of Disrupted Day:** The Calculation Agent shall as soon as reasonably practicable notify the Issuer of the existence or occurrence of a Disrupted Day on any day which but for such Disrupted Day would have been an Valuation Date.

**Notice to Noteholders:** Adjustments in accordance with the foregoing sections shall be calculated by the Calculation Agent, shall be notified to the Noteholders in accordance with the section “Notices” of the Issuers Base Prospectus and shall be (in the absence of manifest error) binding on all parties concerned. However, Noteholders should be aware that there may be, necessarily, some delay between the time at which any of the above events occur and the time at which it is reported to Noteholders.

## **6. Calculations binding**

All determinations made by the Calculation Agent shall in the absence of manifest error, wilful misconduct or bad faith, be the final and conclusive and the Calculation Agent shall have no liability in the relation to such determination except in the case of its bad faith or wilful misconduct. The Calculation Agent shall notify the Issuer, as soon as practicable after determining the Final Redemption Amount or the Early Redemption Amount of the existence or occurrence of a Market Disruption Event on any Observation Date prior to maturity.