

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes, which as completed 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 completed (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 (other than Swedish Notes (as defined below)) are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated 24 June, 2013 (as further amended, supplemented, restated or replaced, the “**Issue and Paying Agency Agreement**”) and made between Royal Bank of Canada (the “**Issuer**”), The Bank of New York Mellon, London branch, in its capacities as issuing and principal paying agent and principal certificate and warrant agent (the “**Issuing and Paying Agent**”, which expression shall include any successor to The Bank of New York Mellon, London branch in its capacity as such) and The Bank of New York Mellon (Luxembourg) S.A. as registrar (the “**Registrar**”, which expression shall include any successor to The Bank of New York Mellon (Luxembourg) S.A. in its capacity as such and any additional registrars appointed 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, if any, in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series. The issuance of Swedish Notes is governed by a Swedish Notes issuing and paying agent agreement (as further amended, supplemented, restated or replaced, the “**Swedish Notes Issuing and Paying Agent Agreement**”) dated 31 October, 2011 and made between the Issuer and Skandinaviska Enskilda Banken AB (publ) (the “**Swedish Notes Issuing and Paying Agent**”, which expression shall include any successor to Skandinaviska Enskilda Banken AB (publ) in its capacity as such provided that such successor is duly authorised under the Swedish Financial Instruments Accounts Act 1998 (Sw.: *Lagen (1998:1479) om kontoföring av finansiella instrument*) (the “**SFIA Act**”). Any references in the Terms and Conditions of the Notes to “Issue and Paying Agency Agreement” shall be deemed to include, where the context so admits, reference to the Swedish Notes Issuing and Paying Agent Agreement. Copies of the Swedish Notes Issuing and Paying Agent Agreement will be available for inspection during normal business hours at the initial specified offices of the Swedish Notes Issuing and Paying Agent and the Issuer, respectively. All persons from time to time entitled to the benefit of obligations under any Swedish Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Swedish Notes Issuing and Paying Agent Agreement insofar as they relate to the relevant Swedish Notes.

The holders of Swedish Notes are entitled to the benefit of the Deed of Covenant (the “**Swedish Deed of Covenant**”) dated October 24, 2013 and made by the Issuer. The original of the Swedish Deed of Covenant is held by the Issuing and Paying Agent.

Copies of the Issue and Paying Agency Agreement and the Swedish 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.

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;
- (c) any definitive Note issued on exchange for a Global Note; and
- (d) any Swedish Note.

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

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

In respect of the Notes, references herein to these Terms and Conditions are to these terms and conditions as completed by the Final Terms.

1. Form and Denomination

1.01 Notes are issued in either (a) bearer form (“**Bearer Notes**”), (b) registered form (“**Registered Notes**”) or (c) in the case of Senior Notes, dematerialised uncertificated book-entry form settled in Euroclear Sweden AB (“**Swedish Notes**”), as specified in the applicable Final Terms and, with the exception of Swedish Notes, are serially numbered. Registered Notes and Swedish Notes will not be exchangeable for Bearer Notes.

The Note is a Senior Note or a Subordinated Note, depending on the status of the Notes 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**”) or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

Swedish Notes are being issued in uncertificated and dematerialised book-entry form in accordance with the SFIA Act. No global or definitive Swedish Notes will be issued and these Conditions shall be construed accordingly. The Swedish Notes will be transferable only in accordance with the provisions of the SFIA Act, other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Sweden AB (“**Euroclear Sweden**”).

The applicable Final Terms will specify whether the Issuer shall have access to the register of creditors (Sw.: *skuldboken*) in respect of the Swedish 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 or whether the TEFRA Rules are not applicable. 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 specify that the TEFRA C Rules apply or that the TEFRA Rules are not applicable, 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 has been received in accordance with the terms of the Temporary Global Note (each certification in such form as is required 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 (in such form as is required 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; in all cases at the cost and expense of the Issuer.

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 and which have more than 27 interest payments remaining at the time of their initial delivery, have attached thereto a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

Registered Notes

1.07 Where the Final Terms applicable to a Tranche of Registered Notes so specify, such Tranche is represented upon issue by a global registered note ("**Global Registered Note**").

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 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, in all cases at the cost and expense of the Issuer.

Denomination

Denomination of Bearer Notes

1.08 Bearer Notes are in the denominations (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.

Denomination of Swedish Notes

1.10 Swedish Notes are in the Specified Denominations specified in the applicable Final Terms.

Currency of Notes

1.11 The Notes are denominated in such currency (the "**Specified 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.

2. Title and Transfer

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

2.02a The person appearing in the register (Sw.: *avstämningsregister*) held by Euroclear Sweden on behalf of the Issuer (the "**Swedish Notes Register**") will be treated as the holder of the relevant Swedish Notes and title to the Swedish Notes passes only by registration in the Swedish Notes Register. References herein to the "**Holders**" of Swedish Notes are to the persons in whose names such Swedish Notes are so registered in the

Swedish Notes Register. Where a nominee (Sw.: *förvaltare*) is so evidenced it shall be treated as the Holder of the relevant Securities.

2.03 The Holder of any Bearer Note, Coupon, Registered Note or Swedish Note will for all purposes of the Issue and Paying Agency Agreement and the Swedish Notes Issuing and Paying Agent (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.

Holders of Global Notes

2.04 For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg or such other clearing system as set out in the applicable Final Terms, each person (other than Euroclear or Clearstream, Luxembourg or such other clearing system as set out in Part B of the applicable Final Terms) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or such other clearing system 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 or such other clearing system 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 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. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures of Euroclear or of Clearstream, Luxembourg or any other relevant clearing system, as the case may be in force from time to time.

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

2.05 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.

2.06 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 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 9.10) for such payment of interest and the next Interest Payment Date for such Coupon.

2.07 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.

2.08 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

2.09 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

The applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes.

Status – Senior Notes

3.01 This Condition 3.01 is applicable in relation to Notes specified in the applicable Final Terms as being Senior Notes. The Senior Notes constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer (including deposit liabilities), 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 5.10.

5.01a Notwithstanding anything to the contrary in these Conditions (and in particular this Condition 5), interest on Swedish Notes shall accrue and be calculated from (but excluding) the Interest Commencement Date to (and including) the first Interest Payment Date and following the first Interest Payment Date from (but excluding) an Interest Payment Date to (and including) the next occurring Interest Payment Date and the definition of “Interest Period” shall be construed accordingly.

Interest on Fixed Rate Notes

This Condition 5.02 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.02 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Business Day Convention (if any) applicable to any Interest Payment Date, the Day Count Fraction, any applicable Determination Date and whether any Coupon Switch Option is applicable.

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 specified in the applicable Final Terms. 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.

Where a Fixed Coupon Amount is specified 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 such Fixed Coupon Amount, as specified in respect of any Calculation Amount based on the applicable Rate of Interest and any applicable Day Count Fraction (if any) and if the amount of interest payable on the Interest Payment Date is specified as other than the Fixed Coupon Amount, such amount will be a “**Broken Amount**” specified in the applicable Final Terms.

Where the Notes are represented by a Global Note or where the Specified Denomination of 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 Fixed Coupon Amounts or Broken Amounts, as the case may be, 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.

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 a Fixed Coupon Amount is not specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

5.03 Interest on Floating Rate Notes

This Condition 5.03 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.03 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify Specified Interest Payment Date(s), the Maturity Date, any Interest Period, the Interest Commencement Date, the Business Day Convention, any Business Centre(s), whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Issuing and Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction and whether any Switch Coupon Option is applicable. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page.

(i) Interest Payment Dates

Each Floating Rate 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.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in one of the manners set out below and 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, the Rate of Interest will be determined as provided below.

(A) Where the Reference Rate is specified in the applicable Final Terms as being LIBOR, EURIBOR or STIBOR:

- (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 principal Relevant Financial Centre office of the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market 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 Principal Financial Centre as selected by the Calculation Agent, at the Relevant 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.

(B) Where the Reference Rate is specified in the applicable Final Terms as being the “**Canadian Dollar Bankers’ Acceptance Rate**”, the average bid rate for bankers’ acceptances in Canadian dollars for the relevant Interest Period which appears on the Reuters Screen CDOR Page (being the Relevant Screen Page) as of 10:00 a.m. (Toronto time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent.

If the Canadian Dollar Bankers’ Acceptance Rate does not appear on Reuters Screen CDOR Page or the Reuters Screen CDOR Page is not available, the Calculation Agent shall request the principal Toronto office of each of four Schedule I Canadian chartered banks to provide the Calculation Agent with its bid rate of interest

(expressed as a percentage rate per annum) for bankers' acceptances in Canadian dollars, in an amount approximately equal to the aggregate nominal amount of the Notes, for the relevant Interest Period as at approximately 10:00 a.m. (Toronto time) on the Interest Determination Date. If two or more of such banks provide the Calculation Agent with such bid rates of interest, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations, plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent. If fewer than two such banks provide the Calculation Agent with its respective bid rate of interest, the Reference Rate for such Interest Determination Date shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 being rounded upwards) of the bid rates quoted by major banks in Toronto, selected by the Calculation Agent, for bankers' acceptance in Canadian dollars, in an amount approximately equal to the aggregate nominal amount of the Notes, for the relevant Interest Period as at approximately 10:00 a.m. (Toronto time) on the Interest Determination Date, for the relevant Interest Period for settlement on such Interest Determination Date, plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

(C) Where the Reference Rate is specified in the applicable Final Terms as being "**BBSW**", the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition:

- (i) "**Bank Bill Rate**" means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed at approximately 10:10 am on the "BBSW" page (or any replacement page) of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Issuer or the Calculation Agent determines that there is an obvious error in that rate, Bank Bill Rate means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time (including any displayed on the "BBSY" or "BBSW" page of the Reuters Monitor System). The rate must be expressed as a percentage per annum; and

- (ii) "**Bill**" has the meaning given in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

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 Floating Rates that will be calculated by the Issuing and Paying Agent under an interest rate swap transaction if the Issuing and Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement to which the ISDA Definitions applied and under which:

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

- the Designated Maturity is the period specified in the applicable Final Terms; and
- 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;

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 Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

Accrual of Interest

5.06 Interest on a Note will cease to accrue from the due date for its redemption unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption 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 14 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 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, 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 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 14 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 7, 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, 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 in the case of Fixed Rate Notes where Fixed Coupon Amount is specified in the applicable Final Terms, the interest shall be calculated in accordance with Condition 5.02.

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.

5.09 Coupon Switch Option Provisions

This Condition 5.09 is applicable to the Notes only if the Coupon Switch Option is specified in the relevant Final Terms as being applicable and each Note shall bear interest on the following basis.

The Final Terms shall specify whether the Fixed Rate Note Provisions or, as the case may be, the Floating Rate Note Provisions are applicable to the Notes from and including the Issue Date to but excluding the Coupon Switch Option Date. Upon the Issuer giving the requisite notice (which, for the purposes of this Condition 5.09 only, shall be five Business Days prior to the Coupon Switch Option Date or such other notice period as may be specified in the Final Terms) to exercise its Coupon Switch Option, from and including the Coupon Switch Option Date, interest shall accrue on a different basis from the basis which was applicable prior to such Coupon Switch Option Date. The Final Terms shall specify whether the Fixed Rate Note Provisions or, as the case may be, the Floating Rate Note Provisions are applicable, upon the exercise by the Issuer of the Coupon Switch Option, from and including such Coupon Switch Option Date to but excluding the Maturity Date.

For the purposes of this Condition 5.09, “**Business Day**” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign currency deposits) in the Principal Financial Centre and any Business Centre(s) specified in the applicable Final Terms.

Definitions

5.10 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.

“BBSW” means the Australian Bank Bill Swap Rate.

“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.

“CDOR” means the Canadian dealer offered rate.

“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 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 (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” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

“EURIBOR” means the European inter-bank offered rate.

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

“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 Interest Commencement 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.).

“LIBOR” means the London inter-bank offered rate.

“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.

“Principal Financial Centre” means such financial centre or centres as may be specified in relation to the Specified 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.

“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 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*.

“Reference Rate” means either LIBOR, EURIBOR, CDOR, STIBOR or BBSW as specified in the applicable Final Terms.

“Relevant Financial Centre” has the meaning ascribed to it in the applicable Final Terms.

“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 11.00 a.m. London time or in the case of EURIBOR means 11.00 a.m. 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).

“STIBOR” the Stockholm inter-bank offered rate.

“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

5.11 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 Default 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 14 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 (or such other Default Rate specified in the applicable Final Terms), 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 5.10).

6. Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled each Note shall be redeemed at its Final Redemption Amount specified in the applicable Final Terms (which shall be par, save in the case of Zero Coupon Notes in respect of which the Final Redemption Amount shall be the amount per Calculation Amount specified in the applicable Final Terms, which amount is at least equal to a 100 per cent. of such Calculation Amount) 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 8, (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, on an Interest Payment Date) to the Holders of the Notes in accordance with Condition 14 (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 6.09) or such Early Redemption Amount as may be specified in 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 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

This Condition 6.03 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an "Issuer Call". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6.03 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

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 14, 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 14, 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 and Swedish 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 9.06 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.

Purchase of Notes

6.07 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 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

6.08 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 6.07 may be cancelled or may be reissued or resold.

6.09 Unless otherwise specified in the applicable Final Terms, 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) 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 5.10) specified in the applicable Final Terms.

6.10 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 6.09 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 14 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.

7. Events of Default

7.01 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.

7.02 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 Paying Agents, 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 6.09) or such other Early Redemption Amount as may be specified in 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.

8. Taxation

8.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes 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 (i) 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 or (ii) pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to the FATCA Withholding Tax Rules, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof (including pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to the FATCA Withholding Tax Rules). 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 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 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, 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 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) to, or to a third party on behalf of, a holder who is, or who does not deal at arm’s length with a person who is, a “specified shareholder” (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of the Issuer; or
- (iv) 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

- (v) 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 or Coupon to another Paying Agent in a member state of the European Union; or
- (vi) 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; or
- (vii) where such withholding or deduction is required by reason of an agreement described in Section 1471(b) of the Code or otherwise required by FATCA or the FATCA Withholding Tax Rules.

8.02 For the purposes of these Conditions:

“Relevant Date” means, in respect of any Note 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 14.

“FATCA” means Sections 1471 and 1472 of the Internal Revenue Code of 1986, as amended (including the United States Treasury regulations and other guidance issued and any agreements entered into thereunder).

“FATCA Withholding Tax Rules” means as (i) any tax imposed under FATCA and (ii) any tax imposed by any jurisdiction pursuant to an intergovernmental agreement to improve tax compliance and to implement FATCA entered into between any relevant authorities on behalf of the United States and such jurisdiction.

8.03 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 18.03 to Canada or the jurisdiction 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).

8.04 Unless the context otherwise requires, any reference in these Conditions to any payment due in respect of the Notes or Coupons shall be deemed to include any additional amounts which may be payable under this Condition 8. Unless the context otherwise requires, any reference in these Conditions to **“principal”** shall include any premium payable in respect of a Note, Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions 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.

9. Payments

Payments – Bearer Notes

9.01 Conditions 9.01 to 9.07 are applicable in relation to Notes in bearer form.

9.02 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) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts 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.

9.03 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 9.04 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 9.04 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 9.04 applies) the United States.

9.04 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 9.07 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.

9.05 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 9.14), 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.

9.06 Each Definitive Note initially delivered with Coupons or Talons 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 Coupons and Talons relating thereto, failing which:

- (i) if the Final Terms specify that this paragraph (i) of Condition 9.06 is applicable (and, in the absence of specification, this paragraph (i) shall apply to Definitive Notes which bear interest at a fixed rate or in fixed amounts), 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 10);
- (ii) if the Final Terms specify that this paragraph (ii) of Condition 9.06 is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Notes which bear interest at a floating rate or rates in variable amounts), 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; and

- (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.

The provisions of paragraph (i) of this Condition 9.06 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.

9.07 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 9.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10 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

9.08 Conditions 9.08 to 9.11 are applicable in relation to Registered Notes.

9.09 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 9.14), 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.

9.10 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 2.07) before the due date for such payment (the “**Record Date**”).

9.11 Notwithstanding the provisions of Condition 9.13, 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 2.07) 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 5.05 or, as appropriate, Condition 5.11.

Payments – Swedish Notes

9.11a Payments in respect of Swedish Notes will be made on the due date for payments to the persons registered as Holders in the Swedish Notes Register on the fifth (5) Banking Day (or in accordance with the rules and procedures applied by Euroclear Sweden from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of Swedish Notes is not a Payment Date, the holder thereof shall not be entitled to payment until the next following Payment Date and shall not be entitled to interest or other payment in respect of such delay.

Payments – General Provisions

9.12 Save as otherwise specified in these Conditions, Conditions 9.13 to 9.16 are applicable in relation to Bearer Notes, Registered Notes and Swedish Notes.

9.13 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes (other than Swedish 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 of amounts due (whether principal, interest or otherwise) in respect of Swedish Notes will be made in accordance with Condition 9.11a in the currency in which such amount is due 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.

Payments will, without prejudice to the provisions of Condition 8, be subject in all cases to any applicable fiscal or other laws and regulations.

For the avoidance of doubt, if any withholding is required under the FATCA Withholding Tax Rules, the Issuer will not be required to pay any additional amount under Condition 8 on account of such withholding.

9.14 For the purposes of these Conditions (other than with respect to payments to be made on Swedish Notes) “**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.

9.14a In relation to payments to be made on Swedish Notes, for the purposes of these Conditions, “**Payment Date**” means any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business (including dealings in foreign exchange and foreign currency deposits) in Stockholm.

9.15 No commissions or expenses shall be charged to the Holders of Notes or Coupons in respect of such payments.

9.16 If the Issuer is due to make a payment in a currency (the “**original currency**”) other than euro in respect of any Note or Coupon 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 7.

For the purpose of this Condition 9.16, “**Calculation Agent**” means the relevant Fiscal Agent or such other entity specified in the applicable Final Terms as the person responsible for the calculation of the Rate(s) of Interest and the Interest Amount(s) or such other amounts as may be specified in the applicable Final Terms.

10. Prescription

10.01 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 8.02) for payment thereof, or such other length of time as is specified in the applicable Final Terms.

10.02 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 9.06 or this Condition 10 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.

10.03 In relation to Swedish Notes, the Issuer's obligation to pay an amount of principal or interest in respect of such Notes will cease if a claim for payment of such principal is not made within ten years after the Relevant Date.

For the purposes of this Condition 10.03, "**Relevant Date**" means the date on which such payment first becomes due, or such later date on which an interruption of the period of limitation (Sw.: *preskriptionsavbrott*) is made in accordance with the Swedish Limitations Act 1981 (Sw.: *preskriptionslagen (1981: 130)*).

11. The Paying Agents, the Registrar and the Calculation Agent

11.01 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 and any additional or other Paying Agents shall be specified in Part A or Part B of 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 9.04, 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 14.

11.01a The Swedish Notes Issuing and Paying Agent and its initial specified offices are specified below. The Issuer reserves the right at any time to vary or terminate the appointment of the Swedish Notes Issuing and Paying Agent provided that the Issuer shall at all times maintain a Swedish Notes Issuing and Paying Agent authorised to act both as an account operating institution (Sw.: *kontoförande institut*) and issuing agent (Sw.: *emissionsinstitut*) with Euroclear Sweden. Notice of all changes in the identity or specified offices of the Swedish Notes Issuing and Paying Agent will be given promptly by the Issuer to the Holders in accordance with Condition 14.

11.02 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 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.

12. Replacement of Notes (other than Swedish Notes)

If any Note (other than any Swedish Note) 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 and Coupons must be surrendered before replacements will be delivered therefor.

13. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of Notes of any Series (other than Swedish Notes) 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, or any Interest Payment Date in respect of any Notes (ii) reduce or cancel the Outstanding Principal 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 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 Redemption Amount, including the method of or basis for, calculating the Amortised Face Amount, (vi) 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.

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

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 in respect of Notes. 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.

13a. Meetings of Holders of Swedish Notes and Modification

The Swedish Notes Issuing and Paying Agent Agreement contains provisions for convening meetings of the Holders of Swedish Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Swedish Notes Issuing and Paying Agent Agreement) of these Conditions insofar as the same may apply to such Swedish Notes. An Extraordinary Resolution passed at any meeting of the Holders of Swedish Notes of any Series will be binding on all Holders of the Swedish Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Swedish Notes of such Series, except that without the consent and affirmative vote of each Holder of Swedish Notes, no Extraordinary Resolution may: (i) amend the Maturity Date or other redemption date of the Swedish Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Swedish Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Swedish Notes, (iii) reduce the Rates of Interest in respect of the Swedish 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 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 Swedish Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Swedish 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 Swedish Notes (or at any adjournment thereof) at which a special quorum (provided for in the Swedish Notes Issuing and Paying Agent Agreement) is present.

If the holder of Swedish Notes held through a nominee (an “**Indirect Noteholder**”) attends the meeting (in person or through a duly authorised agent) and shows a certificate from the relevant nominee showing that such Indirect Noteholder on the fifth (5th) Business Day prior to the meeting was a holder of Swedish Notes, the Indirect Noteholder shall be regarded a Holder of Swedish Notes for the purposes of this Condition 13a.

In connection with a meeting of Holders of Swedish Notes, the Swedish Notes Issuing and Paying Agent shall have access to the Swedish Notes Register.

Save as provided therein, the Swedish Notes Issuing and Paying Agent Agreement may be amended by agreement among the parties thereto and without the consent of any Holders of the Swedish Notes.

14. Notices

To Holders of Bearer Notes

14.01 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

14.02 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

14.03 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 Paying Agents 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.

In relation to Swedish Notes

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

15. 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.

16. Currency Indemnity

Subject to Condition 9.16, 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.

17. 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.

18. Branch of Account

18.01 This Condition 18 applies to Senior Notes only. For the purposes of the *Bank Act* (Canada) the branch of account of the Bank for the deposit liabilities under the *Bank Act* (Canada) evidenced by this Senior Note shall be either the main Toronto branch or London branch as specified in the applicable Final Terms (the "**Branch of Account**"). If not specified in the applicable Final Terms, the Branch of Account will be the main branch of the Issuer in Toronto. Senior Notes, irrespective of the Branch of Account specified in the applicable Final Terms, are obligations of the Bank.

18.02 Senior Notes will be paid without the necessity of first being presented for payment at the Branch of Account.

18.03 If the Branch of Account in respect of Senior Notes is not in Canada, the Bank may change the Branch of Account for the deposit liabilities under the *Bank Act* (Canada) evidenced by the Senior Note upon not less than seven days' prior notice to the Holder given in accordance with Condition 14 and upon and subject to the following terms and conditions:

- (i) if the 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 Senior Notes 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 and Coupons 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 or Coupon 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 or Coupon 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.

19. Amendment Option and Conversion Option

This Condition 19 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, (a) the Notes constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada) evidencing the same, (b) 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 (c) the Events of Default in Condition 7.01(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.

20. Law and Jurisdiction

20.01 The Issue and Paying Agency Agreement, the Subordinated Notes and Coupons and Talons related thereto and the Senior Notes and 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.