

PROSPECTUS



ROYAL BANK OF CANADA (a Canadian chartered bank)

U.S.\$40,000,000,000 Programme for the Issuance of Notes

Under this U.S.\$40,000,000,000 Programme for the Issuance of Notes (the “**Programme**”), Royal Bank of Canada (the “**Issuer**” or the “**Bank**”) may from time to time issue Notes denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined elsewhere in this Prospectus).

The Notes may be issued in bearer or registered form. The maximum aggregate nominal amount of all Notes issued under the Programme will not exceed U.S.\$40,000,000,000 (or its equivalent in other currencies calculated as described in the Dealership Agreement described herein) subject to increase as described herein. The price and amount of the Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions. The Bank may issue Notes (i) that bear interest, at fixed rates or floating rates or no interest at all, (ii) with principal, premium, interest or other amounts deliverable (which may include cash, securities and/or other property) determined by reference to an index, or formula, to changes in the prices of securities, commodities or funds, to movements in currency exchange rates or other financial variables (each a “**Reference Item**”), and (iii) the terms of which permit the Bank to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of cash, shares, securities and/or other property or any combination of cash, securities and/or other property.

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

Unless otherwise specified in the applicable Final Terms, the Bank will issue Deposit Notes (as defined below) through its London branch, but without prejudice to the provisions of Condition 14 (see “**Terms and Conditions of the Notes – Payment**”). The Bank may also issue Deposit Notes through its main branch in Toronto (located at its Executive Offices specified at the back of this Prospectus) or any other branch specified in the applicable Final Terms.

Notes may be issued under the Programme which have a specified denomination of less than €50,000 (or its equivalent in other currencies).

The Issuer may only elect to have Notes admitted to trading on a regulated market, or offered to the public in circumstances requiring publication of a prospectus under the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”, which term includes any relevant implementing measures in the United Kingdom), in the United Kingdom or any of the Passport States (defined below). In the case of a non-exempt public offer under the Prospectus Directive, the Issuer may only designate Public Offer Jurisdictions in the applicable Final Terms from among the Passport States and the United Kingdom.

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

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements, including as to price, allocations and settlement arrangements, in place between such Offeror and such Investor (other than any Investor identified in the applicable Final Terms) in connection with the offer or sale of the Notes. The Issuer will not be a party to any such arrangements with Investors (other than Investors and Managers specified in the applicable Final Terms) in connection with the offer or sale of the Notes and, accordingly, this Prospectus and any Final Terms will not contain such information. Such information will be provided by the Offeror at the time of the sub-offer of the Notes. The Issuer has no responsibility to the Investor in respect of such information.

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

Arrangers for the Programme

RBC CAPITAL MARKETS

MORGAN STANLEY

Dealers

RBC CAPITAL MARKETS

BARCLAYS CAPITAL

CITI

CREDIT SUISSE

DEUTSCHE BANK

HSBC

J.P. MORGAN

MERRILL LYNCH INTERNATIONAL

MORGAN STANLEY

UBS INVESTMENT BANK

July 16, 2009

IMPORTANT NOTICES

This document, together with all the documents incorporated by reference herein, other than those set out in paragraphs (e) to (h) on pages 38 and 39, (such documents collectively, the “Incorporated Documents”) comprises (i) a base prospectus (the “Base Prospectus”) for the purposes of Article 5.4 of the Prospectus Directive and (ii) listing particulars for the purpose of LR 2.211 of the Listing Rules Instrument 2005 (“Listing Particulars”). References to Base Prospectus herein include the Listing Particulars unless the context otherwise requires.

The Issuer may request, pursuant to Section 87 of the FSMA and Section 5.3.2. of the Prospectus Rules Instrument 2005, that the UK Listing Authority provide the competent authority in various Member States of the EEA as may be agreed with the Dealers or relevant Dealer(s) (the “Passported States”) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive, together with a copy of the Prospectus accompanied by any translation of the Summary required by such Member States.

Each Tranche (as defined below) of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “Conditions”) as amended and/or supplemented by a document specific to such Tranche called final terms (the “Final Terms”) or in a separate prospectus specific to such Tranche (the “Drawdown Prospectus”) as described under “Final Terms and Drawdown Prospectuses” on page 40. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Drawdown Prospectus unless the context otherwise requires.

Copies of Final Terms or Drawdown Prospectuses for Notes that are offered to the public in the European Economic Area or admitted to trading on a regulated market in the European Economic Area in circumstances requiring publication of a prospectus in accordance with the Prospectus Directive or admitted to trading on the PSM (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> under the name of the Bank and the headline “Publication of Prospectus” and (ii) will be available without charge from the Bank at 200 Bay Street, 14th Floor, South Tower, Toronto, Ontario, Canada M5J 2J5, Attention: Investor Relations and the specified office of each Paying Agent set out at the end of this Prospectus (see “Terms and Conditions of the Notes”).

Royal Bank of Canada (the “Bank” or the “Issuer”) accepts responsibility for the information in this Prospectus. To the best of the knowledge of the Bank, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This paragraph should be read in conjunction with the seventh and eighth paragraphs on the front cover of this Prospectus.

The applicable Final Terms will (if applicable) contain information relating to Reference Item(s) to which the relevant Notes relate and which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to Reference Item(s) will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item(s). The Issuer will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Reference Item(s), no facts have been omitted that would render the reproduced inaccurate or misleading.

This document supersedes the Prospectus of the Issuer related to the Programme dated July 16, 2008, except that Notes issued on or after the date of this document which are to be consolidated and form a single series with Notes issued prior to the date hereof will be subject to the Conditions of the Notes applicable on the date of issue for the first tranche of Notes of such series. Those Conditions are incorporated by reference in, and form part of, this document.

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

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

document to Base Prospectus means this document together with the Incorporated Documents, any supplementary prospectus approved by the UK Listing Authority and any documents specifically incorporated by reference therein. In relation to any Series (as defined herein) of Notes, this document shall also be read and construed together with the applicable Final Terms(s) (as defined herein).

The financial information incorporated by reference or contained in this document has been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). See “Documents Incorporated by Reference”.

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

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates make any representation or warranty or accept any responsibility, as to the accuracy or completeness of the information contained or incorporated by reference in this document. Neither the delivery of this document or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained or incorporated by reference herein is true subsequent to the date hereof, the date indicated on such document incorporated by reference herein or the date upon which this document has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date hereof, the date indicated on such document incorporated by reference herein or, as the case may be, the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

None of this document nor any Final Terms nor any financial statements nor any further information constitutes an offer or an invitation to subscribe for or purchase any Notes, nor are they intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this document, any supplement hereto, any information incorporated by reference herein or therein and, in respect to each Tranche of Notes, the applicable Final Terms, should subscribe for or purchase any Note. Each Investor contemplating purchasing Notes should determine for itself the relevance of the information contained or incorporated by reference in this document, should make its own independent investigation of the condition (financial or otherwise) and affairs, and its own appraisal of the creditworthiness, of the Issuer and should consult its own legal and financial advisors prior to subscribing for or purchasing any of the Notes. Each Investor or purchaser’s purchase of Notes should be based upon such investigation as it deems necessary. Potential purchasers cannot rely, and are not entitled to rely, on the Dealers in connection with their investigation of the accuracy of any information or their decision whether to subscribe for, purchase or invest in the Notes. None of the Dealers undertakes to advise any Investor or potential Investor in or purchaser of the Notes of any information coming to the attention of any of the Dealers.

The distribution of this document and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. In particular, no action has been taken by the Issuer (other than the approval of this Prospectus by the UK Listing Authority and the request to the UK Listing Authority for certificates of approval to be delivered to the competent authorities in Passport States) or the Dealers which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the Prospectus Directive and any other applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this document or any Final Terms and other offering material relating to the Notes in Canada, the United States, the European Economic Area (including the United Kingdom, France and Italy), Hong Kong and Japan, see “Subscription and Sale”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933, as amended and may include Notes in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither this document nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus

Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Prospectus has not been submitted for clearance to the *Autorité des marchés financiers* in France.

Notes to be issued under the Programme are currently rated by Moody's Investors Service Inc. ("Moody's") and by Standard & Poor's Ratings Service, a division of the McGraw-Hill Companies, Inc. ("S&P"). A Tranche of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to Notes to be issued under the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning agency and each rating should be evaluated independently of any other.

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

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

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES UNDER THE PROGRAMME, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT NOTES (PROVIDED THAT, IN THE CASE OF ANY TRANCHE OF NOTES TO BE ADMITTED TO TRADING ON THE MARKET OR ANY OTHER REGULATED MARKET IN THE EEA, THE AGGREGATE PRINCIPAL AMOUNT OF NOTES ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE RELEVANT TRANCHE) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) WILL UNDERTAKE STABILISATION ACTIVITIES. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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

TABLE OF CONTENTS

IMPORTANT NOTICES	ii
SUMMARY OF THE PROGRAMME	1
RISK FACTORS	9
DOCUMENTS INCORPORATED BY REFERENCE	37
FINAL TERMS OR DRAWDOWN PROSPECTUS	40
GENERAL DESCRIPTION OF THE PROGRAMME	41
FORM OF THE NOTES	42
TERMS AND CONDITIONS OF THE NOTES	46
USE OF PROCEEDS	122
FORM OF RETAIL FINAL TERMS	123
FORM OF WHOLESALE FINAL TERMS	160
ROYAL BANK OF CANADA	195
TAXATION	201
SUBSCRIPTION AND SALE	205
GENERAL INFORMATION	211

SUMMARY OF THE PROGRAMME

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

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

Essential Characteristics of and Risks Associated with Bank

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

The Bank and its subsidiaries operate under the master brand name RBC. The Bank is Canada’s largest bank as measured by assets and market capitalization, one of North America’s leading diversified financial services companies and among the largest banks in the world, as measured by market capitalisation. All references in this Summary to “**the Bank**” refer to the Bank and its subsidiaries, unless the context otherwise requires. The Bank provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services on a global basis. The Bank employs more than 80,000 full- and part-time employees who serve more than 18 million personal, business, public sector and institutional clients through offices in Canada, the United States and 53 other countries.

As at April 30, 2009, the Bank had total assets of C\$680.3 billion and total shareholders’ equity of C\$34.46 billion.

There are a number of factors that could cause the Bank’s actual results to differ materially from those anticipated (see “Risk Factors”). The factors set out below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties that face the Bank’s businesses.

Banking and financial services involves inherent risks, such as credit risk, market risk, operational risk, liquidity and funding risk, reputation risk, regulatory and legal risk, insurance risk and environmental risk which can affect the Bank’s results (see the Risk, Capital and Liquidity Management section and the Overview of Other Risks section in the Bank’s 2008 Annual Report and the Risk, Capital and Liquidity Management section of the Bank’s Second Quarter 2009 Report to Shareholders for a discussion of these risks and how the Bank manages them).

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

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

Other factors that may affect actual results include the possibility that the financial system as a whole may not withstand the effects of a crisis resulting from extraordinary economic, political, social or financial circumstances, changes in government trade policy, the timely and successful development of new products and services, the Bank's ability to cross-sell more products to customers, technological changes and the Bank's reliance on third parties to provide components of the Bank's business infrastructure, the failure of third parties to comply with their obligations to the Bank and its affiliates as such obligations relate to the handling of personal information, fraud by internal or external parties, the possible impact on the Bank's business from disease or illness that affects local, national or global economies, disruptions to public infrastructure, including transportation, communication, power and water, international conflicts and other political developments including those relating to the war on terrorism, and the Bank's success in anticipating and managing the associated risks.

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

Description:	Programme for the Issuance of Notes (the “ Programme ”).
Arrangers:	Royal Bank of Canada Europe Limited and Morgan Stanley & Co. International plc.
Dealers:	Royal Bank of Canada Europe Limited, Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited,

Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.

Issuing and Paying Agent:	Royal Bank of Canada, London branch.
Programme Amount:	Up to U.S.\$40,000,000,000 in aggregate principal amount of Notes outstanding at any one time.
Form of Notes:	Notes may be issued in either bearer form and, if in bearer form, either in new global note form or classic global note form, or registered form as specified in the applicable Final Terms and, as more fully described in “Form of the Notes”.
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or any other clearing system as may be specified in the applicable Final Terms.
Terms and Conditions of the Notes	
General:	<p>Notes may be issued on a fully-paid or (in the case of Deposit Notes only) partly-paid basis at an issue price which is par or a discount to, or at premium over, par.</p> <p>Notes may be denominated in any currency specified in the applicable Final Terms with any agreed maturity, subject to compliance with all applicable legal and/or regulatory instructions.</p> <p>Notes may (i) bear interest at a fixed or floating rate, (ii) not bear interest, (iii) bear interest and/or provide that the redemption is determined by reference to an index or formula, to changes in the prices of securities, commodities or funds, to movements in currency exchange rates and other financial variables; (iv) be redeemed by physical delivery of specified asset(s) (each such specified factor or specified asset, a “Reference Item” and any Reference Item linked Notes, “Reference Item Linked Notes”); (v) include any combination of the foregoing; and/or (vi) have such other terms and conditions as specified in the applicable Final Terms. Interest periods, interest rates and the terms of and/or amounts payable on redemption will be specified in the applicable Final Terms.</p> <p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable; for taxation reasons; for illegality as described below; following an Event of Default and acceleration of the Notes; in the case of Index Linked Notes, Equity Linked Notes and Fund Linked Notes, following the occurrence of certain events as described below), or that such Notes will be redeemable at the option of the Bank and/or the Noteholders.</p>

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

Index Linked Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Redemption Notes or of Index Linked Interest Notes (together, “**Index Linked Notes**”) will be calculated by reference to a single index or a basket of indices and/or such formula as the Issuer and the relevant Dealer(s) may agree, as set out in the applicable Final Terms.

Each nominal amount of Index Linked Notes equal to the Calculation Amount specified in the applicable Final Terms will be redeemed by payment of the Redemption Amount specified or calculated in the manner specified in the applicable Final Terms, or if not so specified, as defined in the Conditions.

Index Linked Notes may, at the discretion of the Issuer, be subject to early redemption or adjustment if an Index is modified or cancelled and there is no successor index acceptable to the Calculation Agent, if the Index’s sponsor fails to calculate and announce the Index, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer’s related hedging arrangements.

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

Equity Linked Notes: Payments of interest (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Equity Linked Redemption Notes or of Equity Linked Interest Notes (together, “**Equity Linked Notes**”) will be calculated by reference to a single equity security or a basket of equity securities as the Issuer and relevant Dealer(s) may agree as set out in the applicable Final Terms.

Each nominal amount of Equity Linked Notes equal to the Calculation Amount specified in the applicable Final Terms will be redeemed by payment of the Redemption Amount specified in the applicable Final Terms or, if not so specified, as defined in the Conditions.

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

underlying share issuer.

Equity Linked Redemption Notes may also provide that redemption will be by physical delivery of a given number of Reference Item(s). Accordingly, an investment in Equity Linked Redemption Notes may bear similar risks to a direct equity investment and Investors should take advice accordingly.

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

Fund Linked Notes: If so specified in the applicable Final Terms, Fund Linked Interest Notes and Fund Linked Redemption Notes (“**Fund Linked Notes**”) may, at the discretion of the Issuer, be subject to early redemption or adjustment (including as to valuation and substitutions of reference funds) if certain corporate events (such as insolvency or nationalisation of a reference fund; litigation against or regulatory events occurring with respect to a reference fund; suspensions of reference fund subscriptions or redemptions; certain changes in net asset value or violations of leverage restrictions of a reference fund; reference fund reporting disruptions; or modifications to the investment objectives or changes in the nature or administration of a reference fund) occur, if certain valuation or settlement disruption events occur with respect to a reference fund, or if certain events (such as illegality, disruptions or cost increases) occur with respect to the Issuer’s hedging arrangements.

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

Negative Pledge: None.

Cross-default: None.

Status: Notes may be issued on a subordinated or unsubordinated basis through such branch of the Issuer as specified in the applicable Final Terms. Notes will not be deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada).

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

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

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

Protection Amount: In respect of a Series of Reference Item Linked Notes to which a Protection Amount is specified as applicable in the applicable Final Terms, the Final Redemption Amount will in no circumstances be repayable at the stated Maturity Date at less than the specified percentage of the nominal amount of such Note. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date or upon the occurrence of an Early Redemption for Taxation Reasons, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default.

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

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

Substitution: The terms of the Deposit Notes permit the substitution of the branch of account if such branch is outside Canada, subject to certain terms and conditions.

Illegality: In the event that the Calculation Agent determines in good faith that the performance of the Issuer's obligations under a Series or that any arrangements made to hedge the Issuer's position under such Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the Issuer may, having given notice to Noteholders, redeem all, but not some only, of the Notes of such Series, each Note being redeemed at the Early Redemption Amount, together, if applicable, with accrued interest.

Taxation: Except as required by law and subject to the obligation to pay additional amounts as provided for or referred to in Condition 13, payments in respect of Notes will not be subject to withholding tax under the laws of Canada or any province or territory thereof or, in the case of Deposit Notes issued through a branch outside Canada, the laws of the country in which the branch is located (see Condition 13).

Governing Law: Notes will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein or, in the case of Deposit Notes issued on a non-syndicated basis, if so specified in the applicable Final Terms, English law.

Listing and Public Offers: Each Series may be admitted to the Official List and to trading on the Market, the PSM and/or any other stock exchange as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms or may be unlisted. If the Notes are admitted to a regulated market in the European Economic Area, the Notes may be de-listed if (i) the Transparency Obligations Directive or applicable implementing legislation in a Member State requires the Bank or any of its affiliates to (a) produce financial statements prepared in accordance with, or reconciled to, International Financial Reporting Standards (“**IFRS**”) or audited in accordance with International Standards on Auditing; (b) produce quantitative or qualitative disclosures to reflect significant differences between the accounting and auditing standards currently used by the Bank and IFRS or (c) change the form of its reporting in other respects, or (ii) any other future law, rule of the London Stock Exchange or any other securities exchange or any competent authority or securities regulator or EU Directive is introduced that would otherwise impose requirements on the Bank or its affiliates that it in good faith determines are impracticable or unduly burdensome. The Issuer is not under any obligation to Holders to maintain any listing of the Notes. See “Risk Factors – No obligation to maintain listing”.

Notes may be offered to the public in the European Economic Area to the extent specified in the applicable Final Terms.

Selling Restrictions: The Notes may be offered for sale only (i) in the United States pursuant to applicable exemptions from the registration requirement under U.S. law or (ii) outside the United States to non-U.S. persons in reliance on and in accordance with Regulation S (Category 2) and in accordance with applicable laws. Bearer Notes are also subject to U.S. tax law requirements and may not be sold, offered or delivered in the United States or to United States Persons as defined in the U.S. Treasury regulations. See “Subscription and Sale”.

Risk Factors: Notes may involve a high degree of risk. There are certain factors which are material for the purpose of assessing the market risks associated with investing in any issue of Notes. See “Risk Factors”.

The Issuer may issue Notes with principal, premium, interest or amounts deliverable determined by reference to Reference Items.

Prospective Investors should understand the risks of transactions involving Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments and/or deliveries in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

Where the applicable Final Terms specify one or more Reference Item(s), the relevant Notes will represent an investment linked to the performance of such Reference Item(s) and prospective Investors should note that the return (if any) on their investment in the Notes will depend upon the performance of the relevant Reference Item(s). In addition to structural risks relating to such Notes (including Index Linked Notes, Equity Linked Notes and Fund Linked Notes), other risks include market disruption, settlement disruption, expenses required for Physical Delivery, hedging and other potential conflicts of interest, tax treatment, modification, Canadian usury laws, early redemptions, possible illiquidity of the Notes, exchange rate risks, credit ratings and no obligation to maintain listing. See “Risk Factors”.

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

RISK FACTORS

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

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

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

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

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

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

Banking and financial services involves inherent risks. Prospective Investors should consider credit risk, market risk, operational risk, liquidity and funding risk, reputation risk, regulatory and legal risk, insurance risk and environmental risk summarized below and described in the Risk, Capital and Liquidity Management and Overview of Other Risks sections beginning on page 83 of the Issuer's 2008 Annual Report and the Risk, Capital and Liquidity Management section beginning on page 23 of the Issuer's Second Quarter 2009 Report to Shareholders incorporated by reference herein which sections supplement these risk factors:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability or unwillingness to fulfill its payment obligations. Credit risk may arise directly from claims against a debtor or obligor, an issuer of securities or a policyholder through outstanding premiums, or indirectly from claims against a guarantor of credit obligations or a reinsurer, resulting from ceded insurance risk.

The Issuer offers a wide range of credit products and services to individual and business clients within Canada, the U.S. and in numerous other countries. Core products offered include loans, residential and commercial mortgages, credit cards, lines of credit and letters of credit. Specialized credit services include asset-backed financing, margin lending, securities lending and project finance. The majority of the Issuer's businesses offer credit products and services. Credit risk is also incurred through other activities not directly linked to the provision of credit products and services to clients, such as short-term investments relating to liquidity management and insurance business investment activities.

The Issuer's credit offerings are a significant driver of overall business performance. The failure to effectively manage credit risk across the organization and all products, services and activities can have a direct, immediate and material impact on the Issuer's earnings and reputation.

Market risk

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

Operational risk

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

Operational risk is embedded in all of the Issuer's activities, including the practices and controls used to manage other risks. Failure to manage operational risk can result in direct or indirect

financial loss, reputational impact, regulatory censure, or failure in the management of other risks such as credit or market risk.

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

Liquidity and funding risk

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

Reputation risk

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

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

Regulatory and legal risk

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

Insurance risk

Insurance risk is the risk of loss that may occur when actuarial assumptions made in insurance product design and pricing activities differ from actual experience. Insurance risk arises from all of the Issuer's businesses, which include life and health, creditor, home and auto, and travel insurance, and reinsurance businesses.

Environmental risk

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

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

Impact of the market environment.

The impact from the continuing volatility in the financial markets and lack of liquidity in credit markets has led to unprecedented levels of market volatility. This market environment has led to the failure or significant weakening of a number of substantial financial institutions globally, causing widespread liquidation of assets and further constraining of credit markets. These asset sales, along with asset sales by other leveraged investors, including some hedge funds, have rapidly driven down prices and valuations across a wide variety of traded asset classes. Asset price deterioration has a negative effect on the valuation of many of the asset categories represented on the Issuer's balance sheet, and reduces the Issuer's ability to sell assets at prices it considers to be fair value.

The Issuer's ability to effectively manage its liquidity, its positions within global financial markets, its capital ratios, and its ability to implement effective risk management processes could have a material impact on the Issuer's business, financial condition, earnings and share price. Writedowns on the value of the Issuer's held-for-trading securities, or its available-for-sale securities following a determination that they are other-than-temporarily impaired, could further impact the Issuer's earnings. As well, a protracted market decline could further reduce liquidity in the markets, making it more difficult to value financial instruments, as the most recent transaction price may not be indicative of fair value and the Issuer may have to rely on other valuation techniques based on market parameters if the market is deemed to be inactive. Increased competition for funding could increase the Issuer's funding costs, changes in market rates and prices may adversely affect the value of financial products, and the Issuer's derivative and other transactions may expose the Issuer to unexpected risks and potential losses, any or all of which could impact the Issuer's financial condition and earnings.

General business and economic conditions in Canada, the U.S. and other countries in which the Issuer conducts business.

Interest rates, foreign exchange rates, the stability of various financial markets, consumer saving and spending habits as well as consumer borrowing and repayment patterns, business investment, government spending, the level of activity and volatility of the capital markets, inflation and terrorism each impact the business and economic environments in which the Issuer operates and, ultimately, the level of business activity the Issuer conducts and earnings it generates in a specific geographic region. For example, as a result of the market environment many countries are currently experiencing an economic downturn or recession. Either occurrence would result in high unemployment and lower family incomes, corporate earnings, business investment and consumer spending, any or all of which would adversely affect the demand for the Issuer's loan and other products and services. In addition, the Issuer's provision for credit losses would likely increase due to higher expected credit losses, the amount of which could be significant, resulting in lower earnings.

Similarly, a further downturn in a particular equity or debt market could cause additional reductions in new issue and investor trading activity or assets under management and assets under administration, resulting in lower fee, commission and other revenue. Also, additional defaults by one or more large financial institutions in Canada, the United States or internationally could further adversely affect the financial markets generally and the Issuer specifically.

Changes in accounting standards and accounting policies and estimates.

From time to time, the Accounting Standards Board of the Canadian Institute of Chartered Accountants (the "AcSB") changes the financial accounting and reporting standards that govern the preparation of the Issuer's financial statements. These changes can be difficult to anticipate

and can materially impact how the Issuer records and reports its financial condition and results of operations. In some instances, the Issuer may be required to retroactively apply a new or revised standard that results in it restating prior period financial statements.

The accounting policies and methods that the Issuer utilizes determine how it reports its financial condition and results of operations, and they require management to make estimates, including estimates of provisions, allowances and valuations of financial instruments, or rely on assumptions about matters that are inherently uncertain. Such estimates and assumptions may require revisions, and changes to them may materially adversely affect the Issuer's results of operations and financial condition. Significant accounting policies are described in Note 1 to the Issuer's Consolidated Financial Statements beginning on page 132 of the Issuer's 2008 Annual Report incorporated by reference herein.

As detailed in the section entitled "Critical accounting policies and estimates" on pages 35 to 38 of the Issuer's 2008 Annual Report incorporated herein by reference, the Issuer has identified eight accounting policies as being "critical" to the presentation of the Issuer's financial condition and results of operations as: (i) they require management to make particularly subjective and/or complex judgments about matters that are inherently uncertain; and (ii) it is likely that materially different amounts could be reported using different assumptions and estimates.

In 2006, the AcSB announced its decision that all reporting issuers should adopt international financial reporting standards ("**IFRS**"). The Issuer is required to adopt IFRS commencing November 1, 2011. The adoption of IFRS could impact (i) the Issuer's current accounting policies, and (ii) the Issuer's capital and capital ratios due to significant recognition and measurement differences between IFRS and current Canadian GAAP which could in turn materially impact the Issuer's financial condition and results of operation.

Currency rates.

The Issuer's revenue, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations in the movement of the average Canadian dollar relative to the average of those currencies. Such fluctuations may affect the Issuer's overall business and financial results. The Issuer's most significant exposure is to the U.S. dollar due to its level of operations in the United States, and other activities conducted in U.S. dollars. A strengthening or weakening of the average Canadian dollar compared to the average U.S. dollar could have a significant effect on the Issuer's results of operations. For example, in the fourth quarter of 2008, the average Canadian dollar exchange rate depreciated considerably against the U.S. dollar, resulting in an increase in the translated value of the Issuer's U.S. dollar net loss. A strengthening or weakening of the Canadian dollar spot rate compared to the U.S. dollar spot rate could also have a significant effect on the Issuer's financial condition. For example, as at October 31, 2008, the Canadian dollar spot rate depreciated sharply against the U.S. dollar, resulting in an increase in the translated value of the Issuer's U.S. dollar-denominated assets and liabilities, and a decrease in the Issuer's Tier 1 capital ratio as a result of higher risk-adjusted assets and a higher goodwill capital deduction. The Issuer is also exposed to the British pound and the Euro due to its activities conducted internationally in these currencies. Appreciation or depreciation of the Canadian dollar relative to the British pound or Euro could reduce or increase, as applicable, the translated value of the Issuer's British pound- or Euro- denominated revenue, expenses and earnings and could also impact its financial condition.

Government fiscal, monetary and other policies.

The Issuer's businesses and earnings are affected by the fiscal, monetary or other policies that are adopted by the Bank of Canada and various other Canadian regulatory authorities, the Board of Governors of the Federal Reserve System in the United States and other U.S. government authorities, as well as those adopted by international regulatory authorities and agencies, in jurisdictions in which the Issuer operates. For example, the Bank of Canada reduced the overnight rate from 4.25 per cent. to 2.25 per cent. taking into consideration the global economic slowdown, weaker market conditions and declining commodity prices which reduced spreads on many of the Issuer's products and in turn impacted the Issuer's earnings. As well, such policies can adversely affect the Issuer's clients and counterparties in Canada, the United States and internationally, which may increase the risk of default by such clients and counterparties.

Level of competition.

The competition for clients among financial services companies in the consumer and business markets in which the Issuer operates is intense. Client loyalty and retention can be influenced by a number of factors, including relative service levels, the prices and attributes of the Issuer's products or services, the Issuer's reputation and actions taken by the Issuer's competitors. Benefits received by the Issuer's U.S. and international competitors under laws and regulations enacted by their governments in response to the credit environment may also impact the Issuer's ability to compete. For example, the benefits received by U.S. financial institutions under the *Emergency Economic Stabilization Act*, the Troubled Asset Relief Program (which has involved injections of capital into U.S. financial institutions) and the Temporary Liquidity Guarantee Program (which includes the temporary raising of the U.S. Federal Deposit Insurance Corporation's deposit insurance from US\$100,000 to US\$250,000) could result in the Issuer's potential or existing customers deciding to deposit their money in a U.S. deposit-taking financial institution instead of with the Issuer. Other financial services companies, such as insurance companies, and non-financial companies, are increasingly offering services traditionally provided by banks. Such competition could also reduce net interest income, fee revenue and adversely affect the Issuer's earnings.

Changes in laws and regulations.

Laws and regulations are in place to protect the financial and other interests of the Issuer's clients, investors and the public interest. Changes to laws, including tax laws, regulations or regulatory policies, including changes to the Issuer's capital management framework, as well as changes in how they are interpreted, implemented or enforced, particularly due to the market environment, could adversely affect the Issuer, for example, by lowering barriers to entry in the businesses in which the Issuer operates or increasing its costs of compliance. In addition, the Issuer's failure to comply with applicable laws, regulations or regulatory policies could result in sanctions and financial penalties by regulatory agencies that could adversely impact the Issuer's reputation and earnings.

Judicial or regulatory judgments and legal proceedings.

Although the Issuer takes what it believes to be reasonable measures designed to ensure compliance with laws, regulations and regulatory policies in the jurisdictions in which it conducts business, there is no assurance that the Issuer always will be, or will be deemed to be, in compliance. Accordingly, it is possible that the Issuer could receive a judicial or regulatory judgment or decision that results in fines, damages, and other costs or injunctions or loss of

licences or registrations that would damage its reputation and negatively impact on the Issuer's earnings.

The Issuer is also subject to litigation arising in the ordinary course of its business. The Issuer operates in an increasingly regulated and litigious environment, potentially exposing it to liability and other costs, the amounts of which may be difficult to estimate. The adverse resolution of any litigation could have a material adverse effect on the Issuer's results or could give rise to significant reputational damage, which could impact the Issuer's future business prospects.

Accuracy and completeness of information on clients and counterparties.

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

Execution of the Issuer's strategy.

The Issuer's ability to execute on its objectives and strategic goals will influence its financial performance. If the Issuer is unable to successfully implement selected strategies or related plans and decisions, if the Issuer makes inappropriate strategic choices or if it makes a change to its strategic goals, its financial results could be adversely affected.

Acquisitions and joint ventures.

Although the Issuer regularly explores opportunities for strategic acquisitions of, or joint ventures with, companies in its lines of business, there is no assurance that it will receive required regulatory or shareholders approvals or be able to complete acquisitions or joint ventures on terms and conditions that satisfy the Issuer's investment criteria. There is also no assurance the Issuer will achieve its financial or strategic objectives or anticipated cost savings following acquisitions or forming joint ventures. The Issuer's performance is contingent on successful integration of acquisitions and joint ventures and on retaining the clients and key employees of acquired companies and joint ventures, and there is no assurance that it will always succeed in doing so.

Changes to the Issuer's credit ratings.

There can be no assurance that the Issuer's credit ratings and rating outlooks from rating agencies such as Moody's Investors Service, Standard & Poor's, Fitch Ratings or DBRS will not be lowered or that these rating agencies will not issue adverse commentaries about the Issuer, potentially resulting in higher financing costs and reduced access to capital markets. A lowering of the Issuer's credit ratings may also affect the Issuer's ability, and the cost, to enter into normal course derivative or hedging transactions and may require the Issuer to post additional collateral under certain contracts.

Development and integration of the Issuer's distribution networks.

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

Other factors

Other factors that may affect actual results include the possibility that the financial system as a whole may not withstand the effects of a crisis resulting from extraordinary economic, political, social or financial circumstances, changes in government trade policy, the timely and successful development of new products and services, the Issuer's ability to cross-sell more products to customers, technological changes and the Issuer's reliance on third parties to provide components of the Issuer's business infrastructure, the failure of third parties to comply with their obligations to the Issuer and its affiliates as such obligations relate to the handling of personal information, fraud by internal or external parties, the possible impact on the Issuer's business from disease or illness that affects local, national or global economies, disruptions to public infrastructure, including transportation, communication, power and water, international conflicts and other political developments including those relating to the war on terrorism, and the Issuer's success in anticipating and managing the associated risks.

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

The Notes may not be a suitable investment for all Investors

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

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus (including any applicable supplement) or any applicable Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where

the currency for principal or interest payments is different from the potential Investor's currency;

- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition an investment in the Equity Linked Notes, Index Linked Notes, Fund Linked Notes, Commodity Linked Notes (each as defined below) or other Notes linked to one or more Reference Item(s), may entail significant risks not associated with investments in a conventional debt security, including but not limited to, the risks set out in "Risks related to the structure of a particular issue of Notes" set out below.

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

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional or mandatory early redemption by the Issuer

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

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

Considerations relevant for Reference Item Linked Notes

The Issuer may issue Index Linked Notes, Credit Linked Notes, Equity Linked Notes, Commodity Linked Notes, Fund Linked Notes (each as defined below) with principal, premium or interest

determined by reference to a particular share, index or formula, to changes in the prices of securities, commodities or funds, to movements in currency exchange rates or other factors (each, a “**Reference Item**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. An investment in such Notes entails significant risks that are not associated with similar investments in a conventional fixed rate or floating rate debt security and in some circumstances the value of the Notes and/or the redemption amount paid at maturity may be less than the principal amount of the Notes and may be zero in which case an Investor may lose some or all of the amount it invested in the Notes. Potential Investors should be aware that:

- (i) the market price of such Notes may be volatile and the market price of the Notes at any time is likely to be affected primarily by changes in the level of the Reference Item to which the Notes are linked. It is impossible to predict how the level of the Reference Item will vary over time;
- (ii) they may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) if the principal of and/or premium on such a Note is so indexed, the amount of principal and/or premium payable in respect thereof may be less than the original purchase price of such Note and less than the nominal or face amount of such Notes, and the amount of principal and/or premium payable may even be zero;
- (vi) Investors should be willing to hold these Notes until the maturity date as the secondary market for such Notes may be limited or non-existent and if there is a limited secondary market then the lack of demand may reduce the market price at which Notes may be sold prior to maturity;
- (vii) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the value of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the time remaining to the maturity of such Notes, the amount outstanding of such Notes, market interest rates, yield rates and the market for other types of related and unrelated financial instruments and where the Reference Item(s) are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (viii) a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, funds or indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange on which any Reference Item and/or obligation of the issuer of the Reference Item may be traded. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant;

- (ix) the timing of changes in a Reference Item(s) may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Reference Item(s), the greater the effect on yield;
- (x) with respect to Equity Linked Notes, if such Notes are redeemable either by payment of the principal amount or by delivery of the underlying securities in lieu thereof, there is no assurance that the value of the securities received will not be less than the principal amount of the Notes;
- (xi) Notes are of limited maturity and, unlike direct investments in a share, index, fund, security, index, commodity or other asset, investors are not able to hold them beyond the Maturity Date in the expectation of a recovery in the price of the underlying; and
- (xii) the price at which an investor will be able to sell Notes prior to the Maturity Date may be at a substantial discount to the market value of the Notes at the time they are issued depending on the performance of the Reference Item.

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

Prospective Investors in Reference Item Linked Notes should understand the risks of transactions involving such Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Final Terms.

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

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

Final Terms will set out the provisions for the determination of any cash amount and/or asset amount and of any periodic interest payments.

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

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

There is no return on Reference Item Linked Notes other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the Maturity Date and payment of any periodic interest payments.

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

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

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

Index Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable is dependent upon the level, or changes in the level, of an index or a basket of indices (together “**Index Linked Notes**”).

Potential Investors in any such Notes should be aware that, depending on the terms of the Index Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their principal investment. In addition, movements in the level of the index or basket of indices may be subject to significant fluctuations that may not correlate with changes in

interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to Investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

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

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on principal and/or interest payable will be magnified.

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

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

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

If an Index Adjustment Event occurs, prospective purchasers should note that the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

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

Equity Linked Notes

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

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

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the equity security or equity securities on principal and/or interest payable will be magnified.

The Calculation Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay (i) any applicable interest payments, in the case of Equity Linked Interest Notes, or (ii) settlement in the case of Equity Linked Redemption Notes. Prospective purchasers should review the Conditions and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

If Potential Adjustment Event and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer are specified as applying in the applicable Final Terms, prospective purchasers should note that the Notes will be subject to adjustment or may be redeemed at the Early Redemption Amount specified in the applicable Final Terms.

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

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

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

Additional risk factors relating to Instruments linked to ADRs and/or GDRs

There are important differences between the rights of holders of American Depositary Receipts (“**ADRs**”) or Global Depositary Receipts (“**GDRs**”) (ADRs and GDRs, together, “**Depositary Receipts**”) and the rights of holders of the stock of the Underlying Share Issuer represented by such Depositary Receipts. A Depositary receipt is a security that represents capital stock of the relevant Underlying Share Issuer. The relevant Deposit Agreement for the Depositary Receipt sets forth the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the Underlying Share Issuer and holders of the Depositary Receipt which may be different from the rights of holders of the Underlying Shares. For example, the Underlying Share Issuer may make distributions in respect of its Underlying Shares that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the Underlying Shares of the Underlying Share Issuer may be significant and may materially and adversely affect the value of the relevant instruments.

Additional Disruption Events (Index Linked Note, Commodity Linked Notes and Equity Linked Notes and Fund Linked Notes only)

If Additional Disruption Events are specified as applying in the applicable Final Terms, the Notes will be subject to adjustment or may be redeemed upon the occurrence of any of the Additional Disruption Events specified as applying in the applicable Final Terms.

Commodity Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or basket of commodities, on redemption the Issuer may be obliged to deliver specified assets (together “**Commodity Linked Notes**”). Potential Investors in any such Notes should be aware that depending on the terms of the Commodity Linked Notes (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and/or (iii) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or basket of commodities may affect the actual yield to Investors, even if the average level is consistent with their expectations. In particular Commodity Linked Notes which are related to the value of commodities tend to be more volatile than traditional securities investments. The market values of commodities tend to be highly volatile. Commodity market values are not related to the value of a future income or earnings stream, as tends to be the case with fixed-income and equity investments, but are subject to variables of specific application to commodities markets. These variables include changes in supply and demand relationships, governmental programmes and policies, national and international monetary, trade, political, judicial and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal and exchange control policies. These factors may have a larger impact on commodity prices and commodity-linked instruments than on traditional fixed-income and equity securities. Further, in general, the earlier the change in the price or prices of the commodities, the greater the effect on yield. If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the commodity or commodities on principal,

interest payable or the amount of specified assets deliverable will be magnified. The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

Fund Linked Notes

General

Neither the Issuer nor its affiliates have the ability to control or predict the actions of the Fund Manager and/or the Fund Adviser, as the case may be. The Fund Manager and/or the Fund Adviser are/is not involved in the offer of the Notes in any way and has no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes.

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

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

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

The Issuer may invest in the underlying fund(s) for its own account, and may exercise its discretion in respect of matters concerning its holdings of fund interests as it sees fit, without regard to the interests of any Investor in the Notes.

The Issuer may have acquired, or during the terms of the Notes may acquire, non-public information with respect to an underlying fund, which will not be provided to the Noteholders.

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

Use of estimates

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

Changing value

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

Prospective purchasers of the Notes have no rights with respect to the Reference Fund or underlying shares in the Reference Fund

A prospective purchaser of Notes has no rights with respect to the underlying shares in the Reference Fund including, without limitation, the right to receive dividends or other distributions. None of the Issuer, any Dealers or the Agents or any of their respective affiliates has performed any investigation or review of any entities that manage the Reference Fund for the purpose of forming a view as to the merit of an investment linked to the Reference Fund. None of the Issuer, any Dealers or the Agents or any of their respective affiliates have performed or will perform any investigation or review of any entities that manage the Reference Fund from time to time, including any investigation of public filings of such entities, for the purpose of forming a view as to the suitability of an investment linked to the Net Asset Value per underlying share and they make no guarantee or express or implied warranty in respect of the Reference Fund, the Fund Manager and/or the Fund Adviser or any other entity. Accordingly, Investors should not conclude

that the issue by the Issuer of the Notes is any form of investment recommendation or advice by any of the Issuer, any Dealers or the Agents or any of their respective affiliates.

Notes may have principal protection only on the Maturity Date

Prospective Investors should note that the Notes may have a minimum redemption amount at maturity of the Protection Amount. There can be no assurance that the Notes will redeem above the minimum redemption amount. The return on the Notes will depend on the performance of the Reference Fund. If the value of the Basket does not increase over the term of the Notes, an Investor in the Notes will not receive any return on its capital. Furthermore, such an Investor will have lost the opportunity to earn the profit that it might have earned on a deposit or any investment in fixed income securities of the same amount and the same duration. If the Notes are redeemed early by the Issuer, Investors in the Notes may not be repaid the amount originally invested by them in the Notes.

Early maturity

Prospective Investors should understand that, if a Removal Event is applicable, on the occurrence of any of the Removal Events, the Calculation Agent may notionally liquidate all the underlying shares in the Reference Fund notionally comprised in the Fund Component and redeem the Notes early.

If De-Listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer are specified as applying in the applicable Final Terms, prospective purchasers should note that the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

Notes may not be Principal Protected

The Investor should note that certain Reference Item Linked Notes may not be Principal Protected. On the Maturity Date, the Final Redemption Amount per Note may be less than the initial investment amount and purchasers of Notes are exposed to full loss of principal.

No interest may be payable under the Notes

Prospective Investors should note that no interest may be paid on the Notes prior to their redemption date. An Investor in the Notes, in the context of its own financial position, must be capable of holding the Notes to maturity with no income stream in the form of interest payments.

As there will be no periodic payment of interest to the Noteholders, any increase in the value of the relevant Reference Item, as the case may be, will not be crystallised until the Notes are redeemed, and the Notes may fall in value at any time prior to redemption.

Early redemption for Illegality

In the event that the Calculation Agent determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's position under such Notes has or will become unlawful, illegal, or otherwise prohibited in whole or in part, the Issuer may redeem the Notes early at the Early Redemption Amount specified in the applicable Final Terms.

Early Redemption

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

Physical Delivery

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

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

Credit Linked Notes

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

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

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

Where the Notes provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the Settlement Date or (b) assets which the Issuer and/or any affiliate has not received under the terms of any transaction entered into by the Issuer and/or such affiliate to hedge the Issuer’s obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the

value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount of principal payable on redemption. Prospective purchasers should review the Terms and Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions should apply to the Notes.

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

The Issuer may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entity and is not required to disclose this information to the Noteholder or any other party.

Partly Paid Notes

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

Variable rate Note with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

Additional risk factors

Additional risk factors in relation to specific issues of Notes may be included in the applicable Final Terms.

Expenses for Physical Delivery

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

No Claim against any Reference Item(s)

Owning Notes with principal, premium or interest and/or delivery of specified assets determined by reference to a Reference Item(s) is not the same as owning the Reference Item(s). A Note will not represent a claim against any Reference Item(s) and, in the event that the amount paid on redemption of the Notes is less than the nominal amount of the Notes, a Noteholder will not have recourse under a Note to any Reference Item(s). Accordingly, the market value of such Notes may not have a direct relationship with the market price of the Reference Item(s) and changes in the market price of the Reference Item(s) may not result in a comparable change in the market value of the Notes. For example, the market value of such Notes may not increase even if the price of the Reference Item(s) increases. It is also possible for the price of the Reference Item(s) to increase while the market price of such Notes declines.

The amount paid or the value of the specified assets delivered by the Issuer on redemption of such Notes may be less than the principal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.

Certain considerations regarding hedging

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

Hedging and other potential conflicts of interest

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

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

Calculation Agent

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

No pledge or holding of Reference Item(s)

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

Tax treatment

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

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

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

Noteholders will not have voting rights or rights to receive dividends or other distributions or any other rights that holders of the reference equity securities would have and Noteholders will not have any beneficial interest in or right to acquire the reference equity securities or any derivative instruments related thereto.

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

The Issuer or one or more of its affiliates may, at present or in the future, engage in business with an issuer of reference equity securities or its competitors, including making loans to or equity investments in an issuer of reference equity securities or its competitors or providing either with investment banking, asset management or other advisory services, including merger and acquisition advisory services. These activities may present a conflict between the Issuer's or its affiliates' obligations and the interests of Noteholders. Moreover, the Issuer or one or more of its affiliates may have published and may in the future publish research reports on an issuer of reference equity securities or upon any reference index which may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Reference Item Linked Notes. Any of these activities could affect the price of the reference equity securities or index and, therefore, the value of the associated Reference Item Linked Notes.

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

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

Notes issued at a substantial discount or premium

The issue price of Notes specified in the applicable Final Terms may be more than the market value of such Notes as of the issue date, and the price, if any at which a Dealer or any other person willing to purchase the Notes in secondary market transactions may be lower than the issue price. In particular, the issue price may take into account amounts with respect to commissions relating to the hedging of the Issuer's obligations under such Notes, and secondary market prices are likely to exclude such amounts. In addition, pricing models of market participants may differ or produce a different result.

The market values of Notes issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing Notes. Generally, the longer the remaining term of the Notes, the

greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

The Issuer's obligations under Subordinated Notes are subordinated

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

Notes in New Global Note form

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

Risks related to the Notes generally

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

Modification and Waivers

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

No obligation to maintain listing

The Issuer is not under any obligation to Holders to maintain any listing of Notes and may, in certain circumstances, seek to terminate the listing of any Series of Notes. These circumstances include: (i) any law implementing or complying with, or introduced in order to conform to the Transparency Obligations Directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 (the "**TOD**") requires the Issuer or any of its affiliates to (a) prepare its financial statements in accordance with, or reconciled to, IFRS or International Accounting Standards ("**IAS**"); (b) provide additional quantitative or qualitative disclosures regarding significant differences between Canadian generally accepted accounting principles ("**Canadian**

GAAP”) and IFRS or any additional auditor’s report relating to such disclosures; (c) change the form of its financial reports in any other respect (other than Canadian GAAP and Canadian generally accepted auditing standards); or (d) have its financial statements audited in accordance with International Standards on Auditing (“**ISA**”); or (ii) any other future law or rule of the London Stock Exchange or any other securities exchange or any competent authority or securities regulator or EU Directive imposes other requirements (including new corporate governance requirements) on the Issuer or any of its affiliates that it in good faith determines are impractical or unduly burdensome in order to maintain the continued listing of any Notes issued under the Programme on a regulated market in the European Union (see item 2 in “General Information”).

In the circumstances noted in the first paragraph above, the Issuer may, in its sole discretion, determine that it is unduly burdensome to maintain such listing and seek to terminate the listing of such Notes provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, securities exchange and/or quotation system that it deems appropriate. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained.

Although there is no assurance as to the liquidity of any Notes as a result of the listing on a regulated market in the European Union, delisting such Notes may have a material affect on the ability to (i) continue to hold such Notes or (ii) resell the Notes in the secondary market.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (herein, the “**Savings Tax Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (in the case of Switzerland, a withholding system has been adopted).

On September 15, 2008, the European Commission issued a report to the Council of the European Union on the operation of the Savings Tax Directive, which included the Commission’s advice on the need for changes to the Savings Tax Directive. On November 13, 2008, the European Commission published a proposal for amendments to the Savings Tax Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on April 24, 2009. If any of the proposed changes are made in relation to the Savings Tax Directive, they may broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

If a payment to an individual were to be made or collected through a Member State or non-EU country or territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of

such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Tax Directive.

Change of law

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

Notes where denominations involve integral multiples: definitive Notes

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

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

Canadian Usury Laws

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

Risks related to the market generally

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

The secondary market generally

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

In addition, holders of Notes should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of the Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in holders of the Notes suffering losses in secondary market resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Market value of Notes

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

- (i) the value and volatility of the Reference Item(s);
- (ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;
- (iii) market interest and yield rates;
- (iv) fluctuations in exchange rates;
- (v) liquidity of the Notes or any Reference Item(s) in the secondary market;
- (vi) the time remaining to any redemption date or the maturity date; and

- (vii) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item(s) may be traded.

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

Credit ratings might not reflect all risks

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

Legal investment considerations may restrict certain investments

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

Interests of Dealers

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Annual Information Form dated December 4, 2008, including, in particular, the following sections:
 - (i) “Description of the Business – General Summary” on page 4;
 - (ii) “Competition” on pages 5 to 7; and
 - (iii) “Appendix A - Principal Subsidiaries” on page 26;
- (b) the following sections of the Bank’s 2008 Annual Report (the “**2008 Annual Report**”) for the year ended October 31, 2008:
 - (i) the Management’s discussion and analysis on pages 28 to 124, including, in particular, a description of risk factors related to the Bank and its business, and the steps taken to manage such risks, under the heading “Risk, Capital and Liquidity Management” on pages 83 to 112 and information about trends, commitments, events and uncertainties for the Bank and each business segment known to the Bank’s management which is provided under the heading “Outlook and priorities” on pages 58, 62, 65, 69 and 72 together with the Caution provided under heading “Caution regarding Forward-looking Statements” on page 29; and
 - (ii) audited consolidated financial statements for the fiscal year ended October 31, 2008 with comparative consolidated financial statements for the fiscal year ended October 31, 2007, prepared in accordance with Canadian GAAP, together with the auditor’s report thereon on pages 125 to 200 (excluding, for greater certainty, Management’s Report on Internal Control over Financial Reporting and the Report of the Independent Registered Chartered Accountants thereon);

the remainder of the 2008 Annual Report is either not relevant for prospective Investors or covered elsewhere in this document;
- (c) the following sections of the Bank’s Second Quarter 2009 Report to Shareholders:
 - (i) information about legal and arbitration proceedings to which the Bank is a party provided under the heading “Litigation” on page 51;
 - (ii) Management’s discussion and analysis on pages 2 to 35, including, in particular, information about trends, commitments, events and uncertainties for the Bank known to the Bank’s management which is provided on pages 4 and 10 under the headings “Economic review and outlook – data available as at May 28, 2009” and “Quarterly results and trend analysis” together with the Caution provided under the heading “Caution Regarding Forward-Looking Statements” on page 2; and

- (iii) the unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2009 with comparative unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2008, prepared in accordance with Canadian GAAP, set out on pages 36 to 66;

the remainder of the Bank's Second Quarter 2009 Report to Shareholders is not relevant for prospective Investors or is covered elsewhere in this document;

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

provided that any statement contained in a document all or the relative portion of which is incorporated by reference shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein in the Second Quarter 2009 Report to the Shareholders noted in (c) above, or in any supplement hereto filed under Article 16 of the Prospectus Directive or section 87G of FSMA, as the case may be, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

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

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

- (e) the Bank's most recently published Annual Information Form;
- (f) the Bank's audited consolidated financial statements, together with the auditor's report thereon (excluding, for greater certainty, management's report on internal control over financial reporting and the report of the independent registered chartered accountants thereon) and management's discussion and analysis for the year then ended contained in the most recently published Annual Report to Shareholders and, if published later, the Bank's comparative unaudited interim consolidated financial statements and management's discussion and analysis for the period then ended contained in the most recently published Quarterly Report to Shareholders;
- (g) all supplements or amendments to the Prospectus prepared by the Bank from time to time (other than those filed pursuant to Article 16 of the Prospectus Directive and approved by the UK Listing Authority under section 87G of FSMA); and

- (h) any material change reports (excluding confidential material change reports) filed by the Bank with the various securities commission or similar authorities in Canada pursuant to the requirements of applicable securities legislation, after the date of this document and during the currency of this document;

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

Copies of this document and the documents incorporated by reference herein (but excluding items (e) to (h) above unless otherwise incorporated in a supplementary prospectus under Article 16 of the Prospectus Directive) and any supplement hereto approved by the UK Listing Authority can be (i) viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> under the name of the Issuer and the headline “Publication of Prospectus” and (ii) obtained on written request and without charge from the Issuer at 200 Bay Street, 14th Floor, South Tower, Toronto, Ontario, Canada M5J 2J5, Attention: Investor Relations and from the office of the Issuing and Paying Agent, Royal Bank of Canada, 71 Queen Victoria Street, London EC4V 4DE, Attention: Bond Agency Department or at the offices of any other Paying Agent at the addresses specified at the end of this document.

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

The financial information of the Bank incorporated by reference or otherwise contained in this document has been prepared in accordance with Canadian GAAP. Accordingly it is not comparable to the audited financial statements of companies using accounting principles generally accepted in the United States (“**US GAAP**”) or International Financial Reporting Standards (“**IFRS**”). A reconciliation of Canadian GAAP and US GAAP is contained in Note 31 to the Bank’s audited consolidated financial statements for the year ended 31 October 2008 and in Note 18 to the Bank’s unaudited interim consolidated financial statements for the three and six month periods ended April 30, 2009, which are incorporated by reference within this document. The consolidated financial statements of the Bank incorporated by reference in this document have not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of the European Union.

FINAL TERMS OR DRAWDOWN PROSPECTUS

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

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

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

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

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

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Bank may from time to time issue Notes denominated in any currency agreed by the Bank and the relevant Dealer(s) having such maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency). The Bank may issue Notes (i) that bear interest at fixed rates or floating rates or no interest at all, (ii) whose Specified Amounts (as defined above) are linked to the level of one or more indices, currencies, equities, debt securities, commodities, funds, or the credit of one or more specified entities or any combination thereof, or to an index, portfolio or formula based on any combination thereof, and (iii) the terms of which permit the Bank to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of cash, shares, securities and/or other property or any combination of cash, shares, securities and/or other property. A summary of the terms and conditions of the Programme and the Notes appears on pages 1 to 9.

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

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

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

FORM OF THE NOTES

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

Bearer Notes

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

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

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

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

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

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

Bearer Global Notes and Bearer Definitive Notes will be issued pursuant to the Issuing and Paying Agency Agreement.

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

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

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

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

Registered Notes

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

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

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

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

General

Pursuant to the Issuing and Paying Agency Agreement (as defined under Terms and Conditions of the Notes), the Issuing and Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of 40 days after the Issue Date.

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

Direct Rights

As noted above, Notes in global form are, in certain circumstances, exchangeable for Notes in definitive form. In the event that (a) a global Note has become due and payable as a result of acceleration as described under "Terms and Conditions of the Notes – Events of Default" or that the Maturity Date in respect thereof has occurred and, in either case, payment in full of the amount due is not made before 8:00 p.m. (London time) on the relevant due date or (b) a global Note is not duly exchanged by 6:00 p.m. (London time) on the thirtieth day after the time at which the preconditions to such exchange are first satisfied, the owner of a beneficial interest in

such global Note shall become entitled to proceed directly against the Issuer on the basis of statements of account provided by the relevant clearing system, as specified in the relevant global Note or, in the case of Deposit Notes governed by English law, the Deed of Covenant, a copy of which is available at the specified office of the Issuing and Paying Agent.

TERMS AND CONDITIONS OF THE NOTES

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

The Notes are issued pursuant to and in accordance with an amended and restated issue and paying agency agreement dated July 16, 2009 (as further amended, supplemented or replaced, the “**Issue and Paying Agency Agreement**”) and made between Royal Bank of Canada (the “**Issuer**”), Royal Bank of Canada, London branch, in its capacities as issuing and paying agent (the “**Issuing and Paying Agent**”, which expression shall include any successor to Royal Bank of Canada in its capacity as such) and as registrar (the “**Registrar**”, which expression shall include any successor to Royal Bank of Canada 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), and the paying agents named therein (the “**Paying Agents**”, which expression shall include the Issuing and Paying Agent and any substitute or additional paying agents appointed in accordance with the Issue and Paying Agency Agreement either with respect to the Programme or with respect to a particular Series). The holders of Deposit Notes governed by English law and the relevant Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the “**Deed of Covenant**”) dated July 16, 2009 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below). Copies of the Issue and Paying Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents and the Registrar. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Issue and Paying Agency Agreement insofar as they relate to the relevant Notes.

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

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

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

In respect of any Notes, references herein to these Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by Part A of the Final Terms and any reference herein to a “**Condition**” is a reference to the relevant Condition of the Conditions of the relevant Notes.

1. Form and Denomination

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

The Note is a Deposit Note or a Subordinated Note, as indicated in the applicable Final Terms. This Note may be a Note bearing interest on a fixed rate basis (“**Fixed Rate Note**”), a Note bearing interest on a floating rate basis (“**Floating Rate Note**”), a Note issued on a non-interest bearing basis (“**Zero Coupon Note**”), a Note with respect to which interest is calculated by reference to an index and/or a formula (“**Index Linked Interest Note**”), a Note with respect to which principal is calculated by reference to an index and/or a formula (“**Index Linked Redemption Note**”), a Note with respect to which interest is calculated and made in such currencies, and by reference to rates of exchange and/or formula (a “**Currency Linked Interest Note**”), a Note with respect to which principal is calculated and made in such currencies, and by reference to rates of exchange and/or formula (a “**Currency Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to a single fund or a basket of funds (a “**Fund Linked Interest Note**”), a Note with respect to which principal is calculated by reference to a single fund or a basket of funds (a “**Fund Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to the level of a commodity index or a basket of such indices, or the price of a single commodity (such as gold, oil, aluminium, copper, lead or wheat) (“**Commodity Linked Interest Note**”), a Note with respect to which principal is calculated by reference to the level of a commodity index or a basket of such indices, or the price of a single commodity (such as gold, oil, aluminium, copper, lead or wheat) (“**Commodity Linked Redemption Note**”), a Note with respect to which interest is calculated by reference to a single equity security or a basket of equity securities (an “**Equity Linked Interest Note**”), a Note with respect to which principal is calculated by reference to a single equity security or a basket of equity securities (an “**Equity Linked Principal Note**”), a Note redeemable in instalments (“**Instalment Note**”), a Note to which principal is subject to the occurrence of a credit event on a specified reference entity(ies) and satisfaction of conditions to settlement is linked to the credit of a specified entity or entities (“**Credit Linked Notes**”), a Note with respect to which principal and/or interest is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (“**Dual Currency Note**”), a Note which is issued on a partly paid basis (“**Partly Paid Note**”), a variable rate Note whose coupon and value increases as a benchmark interest rate declines (“**Inverse Floating Rate Note**”), a Fixed/Floating Rate Note, or a combination of any of the foregoing or any other kind of Note, depending upon the Interest Basis and/or Redemption/Payment Basis specified in the applicable Final Terms. In these Conditions, any item noted above by reference to which the principal or interest of a Note is calculated shall be referred to as a “**Reference Item**”. Any Reference Item linked Notes, shall be referred to as “**Reference Item Linked Notes**”.

Bearer Notes

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

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

Interests in the Temporary Global Note may be exchanged for:

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

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

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

1.04 Unless the Final Terms specify that the TEFRA C Rules are applicable to the Notes and subject to Condition 1.03 above, if any date on which a payment of interest is due on the Notes of a Tranche occurs while any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations and, in the case of Subordinated Notes or as specified in the applicable Final Terms, certification as to non- Canadian beneficial ownership (each in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system), has been received by Euroclear Bank S.A./N.V. (“**Euroclear**”) or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or any other relevant clearing system in accordance with the terms of the Temporary Global Note. Payments of amounts due in respect

of a Permanent Global Note or (subject to Condition 1.03 above) a Temporary Global Note will be made through Euroclear or Clearstream, Luxembourg or any other relevant clearing system without any requirement for further certification. Any reference herein to Euroclear or Clearstream, Luxembourg shall be deemed to include a reference to any other relevant clearing system.

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

For so long as any of the Notes is represented by a Temporary Global Note and/or Permanent Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (a "**Relevant Account Holder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Registrar and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than, save as specifically otherwise provided in the relevant Temporary Global Note and/ or Permanent Global Note or the Deed of Covenant, as the case may be, with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Temporary Global Note and/or Permanent Global Note or registered holder of a Permanent 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 Temporary Global Note and/or a Permanent Global Note or the Deed of Covenant, as the case may be, and the expression "**Holder**" and related expressions shall be construed accordingly. Similar rights as those made available to Relevant Account Holders in the preceding sentence may be made available to Relevant Account Holders in other relevant clearing systems as more fully provided in the Final Terms. Notes which are represented by a Temporary Global Note and/or a Permanent Global Note will be transferable only in accordance with the then current rules and procedures of Euroclear or of Clearstream, Luxembourg or any other relevant clearing system, as the case may be.

1.06 Definitive Notes that are interest bearing have attached thereto, at the time of their initial delivery, coupons ("**Coupons**"), the presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. Definitive Notes that are interest bearing, if so specified in the Final Terms, have attached thereto, at the time of their initial delivery, a

talon (“**Talon**”) for further coupons and the expression “**Coupons**” shall, where the context so requires, include Talons.

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

Denomination

Denomination of Bearer Notes

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

Denomination of Registered Notes

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

Currency of Notes

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

Partly Paid Notes

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

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

Interest shall accrue on any amount which is not paid on or prior to the due date for payment thereof at the Interest Rate (in the case of Zero Coupon Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest

accruing on the Notes for the period from and including the due date for payment of the relevant amount up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any amount made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 5.09).

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

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

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

2. Title and Transfer

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

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

2.03 The Holder of any Bearer Note, Coupon or Registered Note will for all purposes of the Issue and Paying Agency Agreement (except as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner whether or not it is overdue and

regardless of any notice of ownership, trust or any interest thereof or therein, any writing thereon, or any theft or loss thereof and no person shall be liable for so treating such Holder.

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

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

2.05 If so specified in the applicable Final Terms, the Holder of Bearer Notes may exchange the same for the same aggregate principal amount of Registered Notes upon the terms and subject to the conditions set forth in the Issue and Paying Agency Agreement and as may be required by law. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of America (the “**United States**”) of the Issuing and Paying Agent or of the Registrar, together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Receipts and Coupons appertaining thereto other than any Coupon where the exchange date (as defined in Condition 2.06) would, but for the provisions of Condition 2.06, occur between the Record Date (as defined in Condition 14.10) for such payment of interest and the next Interest Payment Date for such Coupon.

2.06 Each new Registered Note to be issued upon the registration of the transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within three Relevant Banking Days of the transfer date or, as the case may be, the exchange date be available for collection by each relevant Holder at the specified office of the Registrar or, at the option of the Holder requesting such exchange or transfer, be mailed (by uninsured post at the risk of the Holder(s) entitled thereto) to such address(es) as may be specified by such Holder. For these purposes, a form of transfer or request for exchange received by the Registrar or the Issuing and Paying Agent after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or the Issuing and Paying Agent until the day following the due date for such payment.

For the purposes of these Terms and Conditions:

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

- (iii) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.04.

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

3. Status of the Notes

Status – Unsubordinated Notes

3.01 This Condition 3.01 is applicable in relation to Notes specified in the applicable Final Terms as being Deposit Notes. The Deposit Notes constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada), constitute legal, valid and binding direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all deposit liabilities of the Issuer without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law). Unless otherwise specified in the applicable Final Terms, the deposits to be evidenced by the Deposit Note will be taken by the branch of the Issuer in London. Deposit Notes issued by a branch of the Issuer outside of Canada will be paid without the necessity of being presented for payment at such branch.

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 5.12.

Interest on Fixed Rate Notes

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

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

As used in these Terms and 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 and will be paid to the Holders of the Notes (in the case of a note in global form, interest will be paid to Clearstream, Luxembourg and/or Euroclear for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures). If interest is required to be calculated for a period ending other than on an Interest Payment Date, or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated in accordance with Condition 5.08.

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

5.03 *Interest Payment Dates*

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

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

Such interest will be payable in respect of each Interest Period (which expression, shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). Interest will be calculated on the Calculation Amount of the Floating Rate Notes, Index Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Equity Linked Interest Notes and Credit Linked Interest Notes and will be paid to the Holders of the Notes (in the case of a note in

global form, interest will be paid to Clearstream, Luxembourg and/or Euroclear for distribution by them to Relevant Account Holders in accordance with their usual rules and operating procedures).

Rate of Interest

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

Where the Screen Rate Determination is specified in the applicable Final Terms the Rate of Interest for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) the Calculation Agent will determine the rate for deposits or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest ten thousandth of a percentage point, 0.00005 being round upwards) of the rates for deposits in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if, on any Interest Determination Date, no such rate for deposits so appears or, as the case may be, if fewer than two such rates for deposits so appear or if the Relevant Screen Page is unavailable, the Calculation Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by the Reference Banks at approximately the Relevant Time on the Interest Determination Date to prime banks in the London interbank market in the case of LIBOR or in the Euro-zone (as defined herein) interbank market in the case of EURIBOR for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;
- (iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; or
- (iv) if fewer than two rates are so quoted, the Calculation Agent will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Financial Centre as selected by the Calculation Agent, at approximately 11.00 a.m. (Financial Centre time) on the first day of the relevant Interest Period for loans in the relevant currency to leading European banks for a period for the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

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

be, the arithmetic mean (rounded as aforesaid) of the rates determined in relation to such Notes in respect of the last preceding Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin, if any.

ISDA Rate Notes

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

- the Fixed Rate Payer, Fixed Amount Payer, Floating Rate Payer or, as the case may be, Floating Amount Payer is the Issuer (as specified in the Final Terms);
- the Effective Date is the Interest Commencement Date;
- the Floating Rate Option (which may refer to a Rate Option or a Price Option, specified in the ISDA Definitions) is as specified in the applicable Final Terms;
- the Designated Maturity is the period specified in the applicable Final Terms;
- the Issuing and Paying Agent is the Calculation Agent;
- the Calculation Periods are the Interest Periods;
- the Payment Dates are the Interest Payment Dates;
- the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“**LIBOR**”) or on the Euro-zone inter-bank offered rate (“**EURIBOR**”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms;
- the Calculation Amount is the principal amount of such Note;
- the Day Count Fraction applicable to the calculation of any amount is that specified in the applicable Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions;
- the Applicable Business Day Convention applicable to any date is that specified in the Final Terms or, if none is so specified, as may be determined in accordance with the ISDA Definitions; and
- the other terms are as specified in the applicable Final Terms;
- For the purposes of this Condition 5.04 “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

Maximum or Minimum Rate of Interest

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

Accrual of Interest after the due date

5.06 Interest will cease to accrue as from the due date for redemption therefor (or, in the case of an Instalment Note, in respect of each Instalment Amount, on the due date for payment of the relevant Instalment Amount) unless upon due presentation or surrender thereof (if required), payment in full of the Final Redemption Amount or the relevant Instalment Amount is improperly withheld or refused or default is otherwise made in the payment thereof. In such event, interest shall continue to accrue on the principal amount in respect of which payment has been improperly withheld or refused or default has been made (as well after as before any demand or judgment) at the Rate of Interest then applicable or such other rate as may be specified for this purpose in the applicable Final Terms if permitted by applicable law (“**Default Rate**”) until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), 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 19 that the Issuing and Paying Agent or, as the case may be, the Registrar has received the required funds (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder).

Interest Amount(s), Calculation Agent and Reference Banks

5.07 If a Calculation Agent is specified in the applicable Final Terms, the Calculation Agent, as soon as practicable after the Relevant Time on each Interest Determination Date (or such other time on such date as the Calculation Agent may be required to calculate any Final Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation) will determine the Rate of Interest and calculate the amount(s) of interest payable (the “**Interest Amount(s)**”) in the manner specified in Condition 5.08 below, calculate the Final Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date or, as the case may be, the Final Redemption Amount or any Instalment Amount to be notified to the Issuing and Paying Agent, the Registrar (in the case of Registered Notes), the Issuer, the Holders in accordance with Condition 19 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 12, the Rate of Interest and the accrued interest payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest or proven error) be final and binding upon the Issuer and

the Holders and neither the Calculation Agent nor any Reference Bank shall have any liability to the Holders in respect of any determination, calculation, quote or rate made or provided by it.

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

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

Calculations and Adjustments

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

For the purposes of any calculations referred to in these Terms and 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 Note in global form 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 Note in global form or the Specified Denomination of a Note in definitive form, without any further rounding.

Interest on Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Equity Linked Interest Notes

5.09 In the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Equity Linked Interest Notes, the rate or amount of interest payable in respect of each Interest Period or Specified Interest Payment Date, as the case may be, shall be determined in the manner specified in the applicable Final Terms.

Interest on Dual Currency Notes

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

Interest on Partly Paid Notes

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

Definitions

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

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

“Business Day” means (i) in relation to Notes payable in 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 relevant currency in the Business Centre(s) specified in the applicable Final Terms or (ii) in relation to Notes payable in euro, a day (other than a Saturday or Sunday) which is a TARGET2 Business Day (as defined below) and 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 it would otherwise fall on a day that is not a Business Day 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:

- (i) **“Following Business Day Convention”** means that such date shall be postponed to the first following day that is a Business Day;
- (ii) **“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;
- (iii) **“Preceding Business Day Convention”** means that such date shall be brought forward to the first preceding day that is a Business Day; and
- (iv) **“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:
 - (a) 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;
 - (b) 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

- (c) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred.

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

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

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

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

where,

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

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

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

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

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

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

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

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

where,

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

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

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

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

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

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

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

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

where,

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

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

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

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

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

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

- (g) if “**Actual/Actual (ICMA)**” is so specified:
- (i) if the Accrual Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Accrual Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
 - (ii) if the Accrual Period is longer than the Determination Period, the sum of:
 - (x) the number of days in such Accrual Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
 - (y) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year

where:

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

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

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

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

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

“**Interest Determination Date**” means, in respect of any Interest Period, the date falling such number (if any) of Banking Days in such city(ies) as may be specified in the applicable Final Terms prior to the first day of such Interest Accrual Period, or if none is specified:

- (i) in the case of Notes denominated in Pounds Sterling or in another currency if so specified in the applicable Final Terms, the first day of such Interest Period; or

- (ii) in any other case, the date falling two London Banking Days (or, in the case of EURIBOR or EUROLIBOR, two TARGET2 Business Days) prior to the first day of such Interest Accrual Period.

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

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

“**Interest Period End 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 the Interest Accrual Period, such dates as may occur in accordance with the FRN Convention at such specified period of calendar months following the Interest Commencement Date (in the case of the first Interest Period End Date) or the previous Interest Period End Date (in any other case) or, if none of the foregoing is specified in the Final Terms, means the date or each of the dates which correspond with the Interest Payment Date(s) in respect of the Notes.

“**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.).

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

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

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

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

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

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

Zero-Coupon Notes

5.13 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 Amortisation Yield defined in, or determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), 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 19 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 Amortisation Yield, the Outstanding Principal Amount was the overdue sum and the Day Count Fraction was as specified for this purpose in the applicable Final Terms or, if not so specified, 30E/360 (as defined in Condition 5.12).

6. Redemption and Purchase

Redemption at Maturity

6.01 Unless previously redeemed, or purchased and cancelled or unless such Note is stated in the applicable Final Terms as having no fixed maturity date, the Note shall be redeemed at its Final Redemption Amount specified in or determined in the manner specified in the applicable Final Terms in the Specified Currency on the Maturity Date.

Early Redemption for Taxation Reasons

6.02 If, in relation to any Series of Notes (provided that in the case of Subordinated Notes the prior consent of the Superintendent of Financial Institutions (Canada) is obtained) (i) as a result of any change in the laws or regulations of Canada or any province or territory thereof or any authority or agency therein or thereof having power to tax or, in the case of Notes issued by a branch of the Issuer outside Canada, of the country in which such branch is located or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws or regulations which become effective on or after the Issue Date of such Notes or any other date specified in the applicable Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 13, (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Issuing and Paying Agent of a certificate signed by two senior officers of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option and having given no less than 30 nor more than 60 days’ notice (ending, in the case of Floating Rate

Notes or other Reference Item Linked Notes, on an Interest Payment Date) to the Holders of the Notes in accordance with Condition 19 (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Outstanding Principal Amount or, in the case of Zero Coupon Notes, their Amortised Face Amount (as defined in Condition 6.12) or such Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon, provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Floating Rate Notes or other Reference Item Linked Notes a number of days which is equal to the aggregate of the number of days falling within the then current Interest Period plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

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

Call Option

6.03 If Call Option is specified in the applicable Final Terms as being applicable, then the Issuer may, having given the appropriate notice to the Holders in accordance with Condition 19, 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 19, 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 thirty days nor more than sixty days 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 or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms;
- in the case of a partial redemption of Definitive Notes in Bearer form, 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 Temporary Global Note or a Permanent Global Note, the Notes to be redeemed shall be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg or such other relevant clearing system as either a pool factor or a reduction in principal amount, at their discretion); and
- in the case of Registered Notes, the Notes shall be redeemed (so far as may be practicable) *pro rata* to their principal amounts, provided always that the amount redeemed in respect of each Note shall be equal to the minimum Specified Denomination thereof or an integral multiple thereof,

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

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

Put Option

6.06 If Put Option is specified in the applicable Final Terms as being applicable, upon the Holder of any Note of this Series giving the required notice to the Issuer specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon expiry of such notice, redeem such Note subject to and in accordance with the terms specified in the applicable Final Terms in whole (but not in part only) on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than 45 days before the Optional Redemption Date where the Note is a Definitive Note held outside Euroclear and Clearstream 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 14.06 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 of the Paying Agents or, as the case may be, the Registrar specifying, in the case of a Temporary Global Note

or Permanent 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 Permanent Global Note or Registered Note shall be deemed to be deposited with the 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 2.09 which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

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

Redemption for Illegality

6.07 In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or any arrangement made to hedge the Issuer's obligations under the Notes have or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer having given not less than ten (10) nor more than 30 days' notice to Noteholders in accordance with Condition 19 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Obligatory Redemption

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

Purchase of Notes

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

Cancellation of Redeemed and Purchased Notes

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

Further Provisions applicable to Final Redemption Amount and Instalment Amounts

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

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

6.12 In the case of any Zero Coupon Note, the “**Amortised Face Amount**” shall be an amount equal to the sum of:

- (i) the Issue Price specified in the applicable Final Terms; and
- (ii) the product of the Amortisation Yield (compounded annually or otherwise as specified in the applicable Final Terms) being applied to the Issue Price from (and including) the Issue Date specified in the applicable Final Terms 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 whole number of years, 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 5.12) specified in the applicable Final Terms.

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

- (i) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made; and
- (ii) (except where presentation or surrender of the relevant Note is not required as a precondition of payment), 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 19 of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

Instalment Notes

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

Other Redemption and Purchase Provisions

6.15 Notwithstanding the foregoing:

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

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

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

7. Currency Linked Redemption Notes, Commodity Linked Redemption Notes and Credit Linked Redemption Notes

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

8. Index Linked Notes

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

8.01 Redemption of Index Linked Redemption Notes

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

8.02 Adjustments to an Index and Additional Disruption Events

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

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

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

If (x) on or prior to the Valuation Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an “**Index Modification**”) or permanently cancels the Index and no Successor Index exists (an “**Index Cancellation**”), or (y) on the Valuation Date, the Index Sponsor or (if applicable) the successor Index Sponsor fails to calculate and announce a relevant Index (an “**Index Disruption**” and, together with an Index Modification and an Index Cancellation, each an “**Index Adjustment Event**”), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, the Calculation Agent shall either:

- (A) calculate the Reference Level using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those

securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or

(B) determine whether any adjustment to the Conditions of the Notes will produce a commercially reasonable result, and if not, notify the Issuer. In such case, the Issuer shall, on giving notice to the Noteholders in accordance with Condition 19, redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the lowest Specified Denomination being redeemed at the Early Redemption Amount.

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

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

(B) give notice to the Noteholders in accordance with Condition 19 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the lowest Specified Denomination being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(iv) Notice

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 19 giving details of the action proposed to be taken in relation thereto.

(v) Correction of the Reference Level

In the event that any price or level published by the Index Sponsor which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange, or if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the relevant Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

8.03 *Definitions applicable to Index Linked Notes*

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

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

“**Averaging Date**” means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the applicable Final Terms provided that, if any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Level. If no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the relevant level on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms, then such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Index Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes are specified in the applicable Final Terms to relate to a single Index, the Averaging Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the relevant Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or not practicable, determine the Reference Level by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
 - (B) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding

Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Reference Level using, in relation to the Affected Index, the level of that Index determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted level as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day).

“**Basket**” means a basket comprising two or more indices specified in the applicable Final Terms in the relative proportions specified in the applicable Final Terms.

“**Change of Law**” means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant security/commodity comprised in an Index or (Y) it will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

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

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

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

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

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

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

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

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

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit), in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

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

“**Hedging Entity**” means the Issuer or any Affiliates or any entity (or entities) acting on behalf of the issuer specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Reference Item in respect of the Issuer’s obligations under the Notes.

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

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

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

“**Initial Level**” means the level specified as such in the applicable Final Terms.

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

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

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

“**Market Disruption Event**” means:

- (i) in respect of an Index other than a Multi- Exchange Index, the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (y) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or
 - (B) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

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

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

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

(iii) in respect of a Multi- Exchange Index either:

- (A) the occurrence or existence, in respect of any Component Security, of:
- (x) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security;
 - (y) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or
 - (z) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material; and

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; OR

- (B) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (B) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (C) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

As used above:

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

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

“**Trading Disruption**” means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the

relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on any Related Exchange.

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

“**Multiplier**” means the weight of each of the Indices comprising the Basket, as specified in the applicable Final Terms.

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

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Index, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day.

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

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

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

“Reference Level” means:

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

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

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

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

“Scheduled Trading Day” means:

- (i) where the Index is not specified in the applicable Final Terms as being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange

are scheduled to be open for trading for their respective regular trading sessions;
or

- (ii) where the Index is specified in the applicable Final Terms as being a Multi-Exchange Index, (i) any day on which the Index Sponsor is scheduled to publish the level of that Index and (ii) each Related Exchange is scheduled to be open for trading for its regular trading session.

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

“**Strike Level**” means the level specified as such in the applicable Final Terms.

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

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

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Level in the manner set out in the applicable Final Terms, or if not set out or not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall where practicable, determine the Reference Level in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Level in accordance with its good faith estimate of the Reference Level as of the Valuation Time on that eighth Scheduled Trading Day

“**Valuation Time**” means:

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

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

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

9. Equity Linked Notes

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

9.01 *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each nominal amount of Equity Linked Redemption Notes equal to the lowest Specified Denomination set out in the applicable Final Terms will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the applicable Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the applicable Final Terms, by delivery of the Asset Amount specified in, or determined in the manner specified in, the applicable Final Terms (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the applicable Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the applicable Final Terms, in each case on the Maturity Date (subject as provided below).

9.02 *Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Additional Disruption Events and Adjustments for Equity Linked Notes in respect of Underlying Equities quoted in European Currencies*

- (i) If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Underlying Equities and, if so, the Calculation Agent shall either:
 - (A) (1) make the corresponding adjustment, if any, to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and/or remove and/or substitute the affected Underlying Equity, in each case, as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no

adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Underlying Equity) and (2) determine the effective date of that adjustment; or

- (B) determine whether any adjustment to the Conditions of the Notes will produce a commercially reasonable result and if not, notify the Issuer. In such case the Issuer, after giving notice to the Noteholders in accordance with Condition 19, shall redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Specified Denomination being redeemed at the Early Redemption Amount.

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

Upon making an adjustment pursuant to Condition 9.02(i)(A), the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 19, stating the adjustment to the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

- (ii) If (x) De-listing, Merger Event, Nationalisation and/or Insolvency is specified as applicable in the applicable Final Terms and/or (y) Tender Offer is specified as applicable in the applicable Final Terms, and (in the case of (x)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (y)) a Tender Offer occurs, in each case, in relation to an Underlying Equity, the Issuer in its sole and absolute discretion may:

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, and/or remove and/or substitute the affected Underlying Equity, to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or

- (B) by giving notice to the Noteholders in accordance with Condition 19, redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Specified Denomination being redeemed at the Early Redemption Amount.

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

Upon the occurrence (if applicable) of a De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 stating the occurrence of the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

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

- (A) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Level and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, and/or remove and/or substitute the affected Underlying Equity, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (B) give notice to the Noteholders in accordance with Condition 19 and redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the lowest Specified Denomination being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(iv) In respect of Equity Linked Redemption Notes relating to Underlying Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Underlying Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the applicable Final Terms, the principal market on which those Underlying Equities are traded, then the Calculation Agent will adjust any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at the official conversion rate, if any, or an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 8(b)(iv) will affect the currency denomination of any payment obligation arising out of the Notes.

(v) Correction of the Reference Price

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion adjust the terms of

the Notes to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Underlying Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

9.03 *Definitions applicable to Equity Linked Notes*

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

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

“Averaging Date” means, in respect of each Valuation Date, each date specified or otherwise determined as provided in the applicable Final Terms provided that, if any Averaging Date is a Disrupted Day, then:

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Reference Price. If no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the Reference Price on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms, then such Averaging Date shall be deemed to be a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Equity Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, the Averaging Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Averaging Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
 - (B) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, the Averaging Date for each Underlying

Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Averaging Date for each Underlying Equity affected (each an “**Affected Equity**”) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Averaging Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day.

“**Basket**” means a basket composed of the Underlying Equities specified in the applicable Final Terms in the relative proportions or numbers of Underlying Equities specified in the applicable Final Terms.

“**Change of Law**” means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Underlying Equity or (Y) it will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

“**De-Listing**” means, in respect of any relevant Underlying Equities, the Exchange announces that pursuant to the rules of such Exchange, such Underlying Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

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

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

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

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

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

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

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

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

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

provided always that the Final Redemption Amount shall in no event be less than zero. The Final Redemption Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the Specified Currency, 0.005 (or, in the case of Japanese Yen, half of one unit) being rounded upwards.

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

“**Hedging Entity**” means the Issuer or any Affiliates or any entity (or entities) acting on behalf of the issuer specified in the applicable Final Terms that is engaged in any underlying or hedging transactions related to the Reference Item in respect of the Issuer’s obligations under the Notes.

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

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

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

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

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

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

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

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) relating to the Underlying Equity on the Exchange; or
 - (y) in futures or options contracts relating to the Underlying Equity on any relevant Related Exchange; or
 - (B) any event (other than as described in (i) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions, in or obtain market values for, the Underlying Equities on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Underlying Equity on any relevant Related Exchange,
which in either case the Calculation Agent determines is material; or
- (ii) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or if earlier (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or
- (iii) any other event specified in the applicable Final Terms.

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

“**Merger Event**” means, in respect of any relevant Underlying Equities, any (i) reclassification or change of such Underlying Equities that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Underlying Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Equities (other than such

Underlying Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Equities outstanding but results in the outstanding Underlying Equities (other than Underlying Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Equities immediately following such event (a “**Reverse Merger**”), in each case if the Merger Date is on or before the Valuation Date or, if the Notes are to be redeemed by delivery of Underlying Equities, the Maturity Date.

“**Multiplier**” means the weight of each of the Underlying Equities comprising the Basket as specified in the applicable Final Terms.

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

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

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, the Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent, shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, the Observation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Underlying Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day.

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

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

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

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

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

“**Reference Price**” means:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Underlying Equity quoted on the relevant Exchange as

determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day, the Calculation Agent's good faith estimate of the value of the Underlying Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Underlying Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and such converted amount shall be the Reference Price; and

(ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, an amount equal to the sum of the values calculated for each Underlying Equity as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) of the Underlying Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent (or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the applicable Final Terms) can be determined at such time, unless the relevant date is a Disrupted Day the Calculation Agent's good faith estimate of the value of the Underlying Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Underlying Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the applicable Final Terms)), multiplied by the relevant Multiplier. Each amount determined pursuant to the foregoing shall be converted, if the Exchange Rate is specified as applicable in the applicable Final Terms, into the Specified Currency at the Exchange Rate and the sum of such converted amounts shall be the Reference Price.

“Related Exchange” means, in relation to an Underlying Equity, each exchange or quotation system specified as such in relation to such Underlying Equity in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Underlying Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), Provided That where ‘All Exchanges’ is specified as the Related Exchange in the applicable Final Terms, 'Related Exchange' shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Equity.

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

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

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

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

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

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

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

“**Underlying Equity**” means the share(s) or other securities specified in the applicable Final Terms.

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

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Underlying Equity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall, where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Underlying Equities, the Valuation Date for each Underlying Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Equity affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (each an “**Affected Equity**”) relating to the Affected Equity unless each of the eight (8) Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall where practicable, determine the Reference Price in the manner set out in the applicable Final Terms or, if not set out or if not so practicable, determine the Reference Price in accordance with its good faith estimate of the Reference Price as of the Valuation Time on that eighth Scheduled Trading Day.

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

9.04 *Additional ADR Provisions*

In relation to any Equity Linked Interest Notes and/or Equity Linked Redemption Notes linked to ADRs, the provisions of, and the terms and expressions defined in, this Condition 9.04, shall, unless otherwise specified in the applicable Final Terms, apply to the ADRs for the purposes of the Notes, and Condition 9.02 and Condition 9.03 are amended as follows in relation to such Notes and such ADRs:

- (i) The definition of “**Potential Adjustment Event**” in Condition 9.03 shall include in relation to the ADRs:
 - (A) the occurrence of any Potential Adjustment Event in relation to the Underlying Shares or any other shares or securities represented by the ADRs; and
 - (B) the making of any amendment or supplement to the terms of the Deposit Agreement.
- (ii) The definition of “**Merger Event**” in Condition 9.03 shall include, in relation to ADRs, the occurrence of any Merger Event in relation to the Underlying Shares.
- (iii) If the Deposit Agreement is terminated, then on or after the date of such termination, reference to ADRs shall be replaced by references to the Underlying Share and the Calculation Agent will adjust any relevant terms and will determine the effective date of such replacement and adjustments.
- (iv) The definitions of “**Nationalisation**” and “**Insolvency**” in Condition 9.03 shall be construed in relation to the ADRs as if reference herein to the ADRs of the Share Company were references to the Underlying Share.
- (v) The definition of “**Market Disruption Event**” in Condition 9.03 shall include, in relation to the ADRs, the occurrence of a Market Disruption Event in relation to the Underlying Share, and, only for the purpose of determining whether a Market Disruption Event has occurred in relation to an Underlying Share, each reference in these Conditions to “**Share**” or “**Shares**” shall be construed as a reference to “**Underlying Share**” or “**Underlying Shares**”, respectively.

“**ADRs**” means the American depositary receipts specified in the applicable Final Terms.

“**Deposit Agreement**” means the agreement or other instrument constituting the ADRs, as from time to time amended or supplemented in accordance with its terms.

“**Depositary**” means the depositary of the ADRs appointed as such under the terms of the Deposit Agreement or any successor depositary thereunder.

“**Share Company**” means (i) both the Depositary and the Underlying Share Issuer in respect of the ADRs, and (ii) for all other purposes in relation to the Notes, the Depositary.

“**Underlying Shares**” shall be as specified in the applicable Final Terms.

“**Underlying Shares Issuer**” shall be as specified in the applicable Final Terms.

10. Physical Delivery

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

10.01 In order to obtain delivery of the Asset Amount(s) in respect of such Note:

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

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

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

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

10.02 An Asset Transfer Notice must:

- (A) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the applicable Final Terms;
- (B) in the case of Notes represented by a global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date (as defined below);
- (C) include an undertaking to pay all Delivery Expenses (as defined below) and, in the case of Notes represented by a global Note, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (D) specify an account to which dividends (if any) or any other cash amounts specified in the applicable Final Terms as being payable are to be paid;
- (E) contain representations and warranties from the relevant Noteholder to the effect, *inter alia*, that, at the time of signing and delivery of the Delivery Notice, the Noteholder understands that the Asset Amount(s) to be delivered have not been registered under the United States Securities of 1933, as amended (the "**Securities Act**"), the Noteholder represents that it is located outside the United States within the meaning of Regulation S ("**Regulation S**") under the Securities Act and is acquiring the Asset Amount(s) to be transferred upon exchange in or offshore

transaction (as defined in Regulation S) in accordance with Rule 903 or 904 of Regulation S and the Noteholder represents that neither it nor any person on whose behalf the Noteholder is holding the Notes is a US person within the meaning of Regulation S; and

- (F) authorise the production of such notice in any applicable administrative or legal proceedings.

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

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

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

Delivery of the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms.

In relation to each Note which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream or a Paying Agent, as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-Off Date specified in the applicable Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-Off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

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

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

If, prior to the delivery of the Asset Amount in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder, in accordance with Condition 19. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Asset Amount pursuant to this paragraph.

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

For so long as delivery of the Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election substantially in the form set out in the Issue and Paying Agency Agreement (the “**Election Notice**”) is given to the Noteholders in accordance with Condition 19. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 19.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Asset Amount comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder’s entire holding may be aggregated at the Issuer’s discretion for the purpose of delivering the Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 19.

For the purposes of the Notes, where the Asset Amount comprises Underlying Equity (i) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder in the register of members of any Equity Issuer, (ii) the Issuer shall not be obliged to account to any Noteholder or any other person for any entitlement received or that is receivable in respect of any Underlying Equities comprising the Asset Amount in respect of any Note if the date on which the Underlying Equities are first traded on the relevant Exchange such entitlement is on or prior to the Maturity Date and (iii) any interest, dividend or

other distribution in respect of any Asset Amount will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Underlying Equity executed on the Delivery Date and to be delivered in the same manner as the Asset Amount. Any such interest, dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

10.04 If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Asset Amount (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (A) subject as provided elsewhere in these Terms and Conditions and/or the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered pro rata on the originally designated Delivery Date in accordance with this Condition 10; and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Noteholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Noteholders in accordance with Condition 19. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 19. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Noteholders in accordance with Condition 19 that the provisions of this Condition 10.04 apply.

10.05 For the purposes of this Condition 10:

“**Asset Transfer Notice**” means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

“**Asset Amount**” has the meaning given in the applicable Final Terms.

“**Cut-off Date**” has the meaning given to it in the applicable Final Terms.

“**Delivery Expenses**” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.

“**Disruption Cash Settlement Price**” means an amount equal to the market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Conditions 5 and 14) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of unwinding or adjusting any underlying or related hedging arrangements in respect of the Note, all as calculated by the Calculation Agent in its sole and absolute discretion.

“**Failure to Deliver Settlement Price**” means, in respect of each nominal amount of the Notes equal to the lowest Specified Denomination, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.

“**Relevant Assets**” means the assets specified as such in the applicable Final Terms.

“**Settlement Disruption Event**” means an event beyond the control of the Issuer (including but not limited to non-delivery of the Asset Amount by a counterparty to an agreement entered into by the Issuer to hedge the Notes) as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Terms and Conditions and/or the applicable Final Terms is not practicable.

11. Fund Linked Notes

If the Notes are specified as Fund Linked Interest Notes and/or Fund Linked Redemption Notes in the applicable Final Terms, the provisions of Condition 11 shall apply as modified by the applicable Final Terms.

11.01 Redemption of Fund Linked Redemption Notes

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

11.02 Potential Adjustment Events

If Potential Adjustment Events are specified as applicable in the applicable Final Terms, then following the declaration by the Reference Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest and, if so, the Issuer may:

- (i) require the Calculation Agent to (1) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or Strike Price and/or the relevant number of units of the Reference Fund and/or any of the other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest Unit or amount of Fund Interest) and (ii) determine the effective date(s) of the adjustment(s); and (2) determine the effective date of that adjustment, or
- (ii) by giving notice to the Noteholders in accordance with Condition 19, redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Specified Denomination being redeemed at the Early Redemption Amount.

Upon making such adjustment pursuant to this Condition 11.02, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 19, stating the adjustment to the Final Redemption Amount and/or Strike Price and/or the relevant number of units of the Reference Fund and/or any of the other terms of these Terms and Conditions and/or the Final Terms giving details of the Potential Adjustment Event.

11.03 Adjustments in relation to an Extraordinary Event

If Extraordinary Events or Additional Disruption Events are specified as applicable in the applicable Final Terms, then following the occurrence of such Extraordinary Event or Additional Disruption Events in respect of a Reference Fund (the “**Affected Reference Fund**”), the Calculation Agent shall either:

- (i) declare a Reallocation Event and determine the effective date of such Reallocation Event; or
- (ii) declare a Removal Event and determine the effective date of such Removal Event;
- (iii) by giving notice to the Noteholders in accordance with Condition 19, redeem all, but not some only, of the Notes, each nominal amount of Notes equal to the Specified Denomination being redeemed at the Early Redemption Amount; or
- (iv) determine that the Extraordinary Event can be compensated by an adjustment to the terms and conditions of the Notes and make any such adjustments to the terms and conditions as it deem appropriate to reflect such compensation.

Upon making an adjustment pursuant to this Condition 10.03(i) or (ii), the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 19 stating the adjustment and giving brief details of the Extraordinary Event

11.04 *Adjustments in relation to a Fund Disruption Event*

As soon as reasonably practicable, following the occurrence of any Fund Disruption Event, the Calculation Agent shall, in its sole discretion, determine (as soon as practicable thereafter) the appropriate adjustment, if any, to be made to any of these Conditions in relation to the Notes to account for the effect of such event or otherwise necessary to preserve the economic equivalent of the rights of the Noteholders pursuant to the Notes immediately prior to such event, such adjustment to be effective as of the date determined by the Calculation Agent.

11.05 *Correction of Fund Interest Prices.*

In the event that (i) any price published by or on behalf of a Reference Fund with respect to any Fund Interest to which Reported Value Method is applicable and which is utilised for any calculation or determination made under a Fund Linked Note is subsequently corrected and the correction is published by the Reference Fund within one Settlement Cycle after the original publication, or (ii) a Reference Fund with respect to any Fund Interest to which Deemed Payout Method is applicable adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units or amount of Fund Interest that is subject to valuation, and such adjustment would be reflected in either an additional payment to such Hypothetical Investor, or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor, in each case no later than by the last day of the Cut-off Period starting on the Final Observation Date, then either party may notify the other party of that correction and the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust the terms of such Fund Linked Note to account for such correction.

11.06 *Definitions Applicable to Fund Linked Notes*

“**Adviser Termination Event**” means, in respect of any Reference Fund, the resignation, termination, or replacement of its Fund Adviser.

“**Affiliates**” means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person (for such purposes, 'control' of any entity or person means ownership of a majority of the voting power of the entity or person).

“Assets Under Management Trigger” means the aggregate net asset value of assets managed by the Reference Fund’s Fund Manager or Fund Adviser falls below EUR 200,000,000 (or such other amount as specified in the applicable Final Terms) or its equivalent in the Specified Currency.

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

- (i) if ‘Omission’ is specified in the applicable Final Terms, such Averaging Date will be deemed not to be a relevant Averaging Date for purposes of determining the relevant Final Price. If no Averaging Date would occur with respect to the relevant Valuation Date, then for the purposes of determining the relevant price or amount on the final Averaging Date, such Averaging Date shall be deemed to be a Valuation Date;
- (ii) if ‘Postponement’ is specified in the applicable Final Terms, then such Averaging Date shall be deemed to be a Valuation Date that was a Fund Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date for the Fund Linked Notes; or
- (iii) if ‘Modified Postponement’ is specified in the applicable Final Terms, then:
 - (A) in respect of a single Fund Interest, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to the last day of the Cut-off Period starting on the original date that, but for the occurrence of another Averaging Date or Fund Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine the relevant price or amount for that Averaging Date shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date;
 - (B) in respect of a Basket of Fund Interests, the Averaging Date for each Fund Interest not affected by the occurrence of a Fund Disrupted Day shall be the date specified in the applicable Final Terms as an Averaging Date in respect of the relevant Valuation Date and the Averaging Date for any Fund Interest affected by the occurrence of a Fund Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Interest. If the first succeeding Valid Date has not occurred prior to the last day of the Cut-off Period starting on the original date that, but for the occurrence of another Averaging Date or Fund Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date.

If any Averaging Dates in relation to a Valuation Date occurs after that Valuation Date as a result of the occurrence of a Fund Disrupted Day, then (i) the relevant Redemption Payment Date, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.

“**Basket**” means a basket composed of such Reference Funds specified in the applicable Final Terms in the relative proportions or number of Fund Interest Units of each Reference Fund specified in the applicable Final Terms.

“**Benchmark Change**” means the material alteration of the stated benchmark of the Reference Fund specified in the applicable Final Terms.

“**Breach or Termination of Trading Agreement**” means (i) the Reference Fund and/or the Fund Manager and/or the Fund Adviser fail to execute a Trading Agreement, if required by the Calculation Agent, or (ii) any breach, violation or termination by the Reference Fund and/or the Fund Manager and/or the Fund Adviser of the Trading Agreement.

“**Cash Loan**” means a notional loan specified as such in the applicable Final Terms.

“**Change in Law**” means any actual or anticipated change in law or regulation or the administration or interpretation thereof (whether formal or informal) after the Trade Date or Issue Date, as the case may be, which:

- (i) causes a Hypothetical Investor to incur a materially increased cost in performing its obligations in respect of the security issued by the Hypothetical Investor similar to the Notes; or
- (ii) results in it becoming illegal for a Hypothetical Investor to hold, acquire or dispose of Fund Interests Units; or
- (iii) results in it becoming illegal for the Reference Fund, Fund Manager and/or the Fund Adviser to rebate fees or to vary any other term of the Fund Documents by agreement with individual investors and/or the Hypothetical Investor.

“**Change in Tax Law**” means any actual or anticipated change in tax law or regulation or the administration or interpretation thereof (whether formal or informal) after the Trade Date or Issue Date, as the case may be, which causes a Hypothetical Investor to incur a materially increased cost in performing its obligations in respect of a security issued by the Hypothetical Investor similar to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Change in Treatment**” means any change in the legal, tax, accounting or regulatory treatment of the Reference Fund, its Fund Manager and/or the Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interests Units or on any investor therein.

“**Currency Business Day**” means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the relevant currency or, in respect of euro, any day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system is open shall be a Currency Business Day.

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

“Deemed Payout Method” means, in relation to any Fund Interest, a certain valuation method reflected in the operations of the Relevant Price, Final Price and other provisions herein, and which shall be applicable to such Fund Interest if so specified in the applicable Final Terms.

“Due Diligence Failure” means that a Reference Fund fails to satisfy the requirements of the Calculation Agent’s initial and on-going due diligence process and other internal control procedures (as such procedures may be amended from time to time).

“Extraordinary Dividend” means an amount per relevant Fund Interest Unit or other amount of Fund Interest so specified in the applicable Final Terms. If not so specified or determined in the Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent acting in good faith.

“Extraordinary Event” means, with respect to a Fund Linked Note, a Nationalisation, Insolvency and/or any applicable Extraordinary Fund Event, as the case may be, specified in the applicable Final Terms.

“Extraordinary Fund Event” The Calculation Agent has the right but not the obligation to declare the occurrence (or waive) any one or more of the following events: Fund Insolvency Event, Adviser Termination Event, Strategy Breach, Regulatory Action, Reporting Disruption, Change in Law/Tax, Modification of Fund Documents, Hedging Disruption, Increased Cost of Hedging, Change in Law, Change in Tax Law, NAV Disruption Event, Failure to Deliver Information, Regulatory Action, Legal Action, Change in Treatment, Due Diligence Failure, Breach or Termination of Trading Agreement, NAV Trigger Event, Key Person Event, Minimum Outstanding Amount of Notes, Benchmark Change, Organisational Change, Assets Under Management Trigger and/or any other event specified in the applicable Final Terms (each a **“Reallocation Event”**) and shall not be liable to any person for losses resulting from any such declaration (or waiver), its timing or consequential removal, reallocation or termination. The Calculation Agent shall make all determinations, including decisions as to materiality, in its sole discretion.

“Failure to Deliver Information” means any failure of the Reference Fund to deliver, or cause to be delivered, (A) information that such Reference Fund and/or the Fund Manager and/or the Fund Adviser has agreed to deliver or cause to be delivered to the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent in accordance with such Reference Fund’s or its authorised representative’s normal practice and that the Calculation Agent deems necessary for it to monitor such Reference Fund’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interests Units.

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

“Final Price” means, in respect of each Valuation Date, the price per related Fund Interest Unit determined by the Calculation Agent either as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or, if no means for determining the Final Price are so provided, pursuant to the following provisions:

- (i) in respect of any Fund Interest to which Reported Value Method is applicable, the Final Price shall be the Reported Fund Interest Value per related Fund Interest Unit determined as of the Valuation Date, subject to the applicable Reported Value Convention; provided that if the applicable Final Terms specifies that the Reported Value Method is subject to Calculation Agent Adjustment, the Calculation Agent shall (A) adjust the Reported Fund Interest Value to reflect, without duplication, the relevant portion per Fund Interest Unit of (x) such fees and costs as would be charged to the Hypothetical Investor pursuant to the Fund

Documents, (y) such other fees as are specified as ‘Redemption Fees’ in the applicable Final Terms and (z) the Redemption Proceeds relating to such Fund Interest Unit, in each case in connection with a deemed redemption as of the Scheduled Redemption Valuation Date relating to such Valuation Date of all Fund Interest Units that are subject to valuation and (B) if the Calculation Agent determines that no adjustment that it could make under (A) will produce a commercially reasonable result, notify the parties that Deemed Payout Method shall apply; or

- (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, the Final Price per related Fund Interest Unit in respect of a Valuation Date shall be an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that would be received by the Hypothetical Investor in such Fund Interest, in connection with a redemption of all Fund Interest Units that are subject to valuation during the period from, and including, the Initial Observation Date to, and including, the Final Observation Date relating to such Valuation Date.

“**Following Redemption Valuation Date**” means that such Valuation Date or Averaging Date, as applicable, shall be postponed until the next following Scheduled Redemption Valuation Date, without prejudice to any further adjustments pursuant to the Fund Disrupted Day provisions, and the Reported Fund Interest Value shall be determined as of such Scheduled Redemption Valuation Date.

“**Fund Administrator**” means any person specified as such in the applicable Final Terms or if no person is so specified, the fund administrator, adviser, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.

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

“**Fund Business Day**” means a day on which the Reference Fund accepts subscription and redemption orders as specified in the Fund Documents.

“**Fund Component**” means a notional investment in the Reference Fund or Basket of Reference Funds specified as such in the applicable Final Terms.

“**Fund Disrupted Day**” means any day on which a Fund Disruption Event has occurred or is continuing. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the parties or other party, as the case may be, of the occurrence of a Fund Disrupted Day on any day that, but for the occurrence or continuance of a Fund Disrupted Day, would have been an Averaging Date, or a Valuation Date, as the case may be. Without limiting the obligation of the Calculation Agent to notify the parties as set forth in the preceding sentence, failure by the Calculation Agent to notify the parties of the occurrence of a Fund Disrupted Day shall not affect the validity of the occurrence and the effect of such Fund Disrupted Day on the Notes.

If any Valuation Date is a Fund Disrupted Day then:

- (i) where the Notes are specified in the applicable Final Terms to relate to a single Fund Interest, the Valuation Date shall be the next succeeding day that is not a Fund Disrupted Day, unless no day that is not a Fund Disrupted Day has occurred prior to the last day of the Cut-off Period starting on the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be

deemed to be the Valuation Date, notwithstanding the fact that such day is a Fund Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Valuation Date; and

- (ii) where the Notes are specified in the applicable Final Terms to relate to a Basket of Fund Interests, to the extent it relates to any Fund Interest to which Reported Value Method or Deemed Payout Method is applicable, the Valuation Date for each Fund Interest not affected by the occurrence of a Fund Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Fund Interest affected by the occurrence of a Fund Disrupted Day shall be the first succeeding day that is not a Fund Disrupted Day relating to that Fund Interest, unless no day that is not a Fund Disrupted Day has occurred prior to the last day of the Cut-off Period starting on the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Fund Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Valuation Date.

“Fund Disruption Event” means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest (a) to which Reported Value Method is applicable, the occurrence or existence of a Fund Valuation Disruption and (b) to which Deemed Payout Method is applicable, a Fund Settlement Disruption, in each case as determined by the Calculation Agent as of the Valuation Time on the relevant Valuation Date, Averaging Date and at such other relevant dates and times as specified in the applicable Final Terms.

“Fund Documents” means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest and any additional fund documents, in each case, as amended from time to time.

“Fund Hedging Disruption” means, with respect to a Fund Linked Note, that the Hedging Party is unable, or it is impractical for the Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Interest of entering into and performing its obligations with respect to such Fund Linked Note, or (ii) realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the relevant Reference Fund on any investor’s ability to redeem such Fund Interest, in whole or in part, or any existing or new investor’s ability to make new or additional investments in such Fund Interest, or (B) any mandatory redemption, in whole or in part, of such Fund Interest imposed by the relevant Reference Fund (in each case other than any restriction in existence on the date on which such Fund Interest was first included in such Fund Linked Note).

“Fund Insolvency Event” means, at any time, the winding-up, dissolution, liquidation, bankruptcy, insolvency, creditors’ arrangement or any cessation of trading (or an event with analogous effect) of the Reference Fund or a Fund Service Provider unless the affected Fund Service Provider is replaced with a successor acceptable to the Calculation Agent.

“Fund Interest” means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms.

“Fund Interest Unit” means, in respect of a Fund Interest in a Reference Fund, a share of such Fund Interest or, if Fund Interests in such Reference Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Reference Fund in the amount specified in the applicable Final Terms; provided that if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the Trade Date shall be a single Fund Interest Unit.

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

“Fund Reporting Date” means, with respect to any Fund Interest and Fund Valuation Date, the date on which the Reported Fund Interest Value of such Fund Interest as determined as of such Fund Valuation Date is reported or published.

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

“Fund Settlement Disruption” means, in respect of a Fund Interest and any day, a failure by the Reference Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of such Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests).

“Fund Valuation Date” means, with respect to any Fund Interest, a date as of which the related Reference Fund (or its a Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Reference Fund only reports its aggregate Net Asset Value, a date as of which such Reference Fund determines its aggregate Net Asset Value.

“Fund Valuation Disruption” means, (a) in respect of a Fund Interest to be valued using the Reported Value Method for which the applicable Reported Value Convention is either Prior Redemption Valuation Date or Following Redemption Valuation Date, the failure of a Scheduled Redemption Valuation Date to be a Redemption Valuation Date or any continued postponement of such Redemption Valuation Date, and (b) for any other Fund Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date.

“Hedging Disruption” means,

- (i) Any event or circumstance that results or is likely to result in a Hypothetical Investor being unable, or it being impractical, to purchase, redeem for cash, hold or transfer Fund Interest Units, including but not limited to the suspension by the Reference Fund of Fund Interest Units subscriptions or redemptions and compulsory redemptions;
- (ii) a Hypothetical Investor is subject to new or more onerous restrictions on its ability to subscribe for, transfer or redeem, Fund Interest Units (including but not limited to the imposition of, or increase in, fees or charges in relation to redemptions, subscriptions or transfers of Fund Interest Units) or a change in the

voting rights attached to the Fund Interest Units, in each case as compared with those (if any) applicable to the Hypothetical Investor on the Issue Date;

- (iii) a Hypothetical Investor is prevented, due to circumstances beyond its control, from remitting (i) subscription monies and/or redemption proceeds in respect of the Fund Interest Units; or (ii) any payments relating to any over-the-counter derivative transaction(s) linked to the Fund Interest Units;

“**Hedging Party**” means the party specified as such in the applicable Final Terms.

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

“**Hypothetical Investor Jurisdiction**” means the jurisdiction of organisation or formation, as applicable, of the Issuer, unless otherwise specified in the applicable Final Terms.

“**Increased Cost of Hedging**” means a Hypothetical Investor would incur

- (i) a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest Unit as a result of entering into and performing its obligations with respect to the issue of a security similar to the Notes, and any Notes associated with unwinding any hedge positions relating to a security similar to the Notes; and
- (ii) an increase in charges or fees is imposed by the Reference Fund on any investor’s ability to redeem Fund Interest Units, in whole or in part, or any existing or new investor’s ability to make new or additional investments in the Fund Interest Units.

“**Initial Observation Date**” means the date specified as such in the applicable Final Terms.

“**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (i) all the Fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Interests of that Reference Fund become legally prohibited from transferring or redeeming them.

“**Key Person Event**” means the resignation, termination, death or replacement of any key person specified in the applicable Final Terms.

“**Legal Action**” means any legal action, suit or proceeding has been taken or brought, or is threatened or pending, against the Reference Fund or any of its Fund Service Providers which, if resolved against the Reference Fund or Fund Service Provider has, or would have, a material adverse effect on the reputation of the Reference Fund and/or the price of its Fund Interest Units.

“**Minimum Outstanding Amount of Notes**” means the aggregate nominal amount of the Notes minus the nominal amount of the Notes repurchased and/or cancelled by the Issuer at any time is less than USD 200,000 (or such other amount as specified in the applicable Final Terms) or its equivalent in the Specified Currency.

“**Modification of Fund Documents**” means any material change to or modification of the Fund Documents or investment procedures (including but not limited to, the Reference Fund’s (i) strategy; (ii) investment guidelines; (iii) liquidity, where such a change in liquidity results in an increase in volatility; (iv) types of investments in which the Reference Fund invests, their liquidity, term, credit risk and diversification; (v) accounting currency), in each case as compared with those prevailing on the Issue Date.

“**Nationalisation**” means that all the Fund Interests or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**NAV**” or “**Net Asset Value**” means the net asset value of the Fund Interest Unit as calculated by the Fund Administrator or the Reference Fund in accordance with the Fund Documents.

“**NAV Disruption Event**” means the Fund Administrator or the Reference Fund fails, for any reason other than of a technical or operational nature, to calculate and announce the official NAV within the number of days specified in the applicable Final Terms, of the date on which such NAV was originally scheduled to be announced or the occurrence of any other event affecting the Fund Interest Units that, in the determination of the Calculation Agent, would make it impossible or impracticable for it to determine the value of such Fund Interest Units for any reason other than of a technical or operational nature;

“**NAV Trigger Event**” means, the official Net Asset Value of the Fund Interest Units has decreased by an amount equal to or greater than the percentage amount specified in the applicable Final Terms during the period specified in the applicable Final Terms.

“**Organisational Change**” means a change to the Reference Fund’s organisation or its management whether or not via merger or other reorganisation event.

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

- (i) a subdivision, consolidation or reclassification of the relevant number of Fund Interest Units or amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a repurchase by the Reference Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in

respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents; or

- (v) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest.

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

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

“Prior Redemption Valuation Date” means that the Reported Fund Interest Value shall be determined as of the immediately preceding Scheduled Redemption Valuation Date, subject to the Fund Disrupted Day provisions.

“Reallocation Event” means upon the declaration of the Calculation Agent of an Extraordinary Event (each a **“Reallocation Event”**) in respect of a Reference Fund (the **“Affected Reference Fund”**) the Calculation Agent, shall notionally liquidate all Fund Interest Units in the Reference Fund and use reasonable efforts to identify an alternative fund or basket of funds in substitution for the Affected Reference Fund (the **“Successor Reference Fund”**) and on the Redemption Payment Date, or as soon as practicable thereafter, the Calculation Agent shall, if a Successor Reference Fund has been identified, notionally invest the Removal Value in such Successor Reference Fund.

“Redemption Notice Date” means, with respect to any Fund Interest and any Valuation Date or Averaging Date, the date specified as such, in the applicable Final Terms, or if no such date is specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Reference Fund, to submit a redemption notice that would be timely for a redemption as of (i) if Reported Value Method is applicable, the Scheduled Redemption Valuation Date occurring on such Valuation Date or Averaging Date, as the case may be, or if no Scheduled Redemption Valuation Date is occurring on such Valuation Date or Averaging Date, the immediately preceding Scheduled Redemption Valuation Date, or (ii) if Deemed Payout Method is applicable, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

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

“Redemption Proceeds” means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Reference Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such amount of such Fund Interest; provided that (a) any such proceeds that would be paid in property other than cash shall be valued by the

Calculation Agent and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

“Redemption Valuation Date” means, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) would determine the Net Asset Value of such Fund Interest for purposes of calculating the Redemption Proceeds to be paid to a Hypothetical Investor that had submitted a valid notice for redemption on or before the related Redemption Notice Date.

“Reference Fund” means, in respect of a Fund Interest, unless otherwise specified in the applicable Final Terms, the issuer of, or other legal arrangement giving rise to, the relevant Fund Interest.

“Reference Fund Subscription Date” means the date specified as such in the applicable Final Terms or, if no such date is specified, with respect to any Fund Interest, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Reference Fund would be considered effective by the Fund.

“Regulatory Action” means:

- (i) An investigation is made by any governmental or regulatory entity into the activities of the Reference Fund or any Fund Service Provider for reasons of alleged wrongdoing, breach of rule or regulation or other similar reason which allegation, if true, would have a material adverse effect on the reputation of the Reference Fund and/or its share price; or
- (ii) the cancellation, suspension or revocation of any licence, registration, authorisation or regulatory approval of the Reference Fund or any Fund Service Provider where such licence, registration or approval is material to the ability of the Reference Fund or Fund Service Provider to operate in accordance with the Fund Documents.

“Relevant Price” means, on any day, in respect of a Fund Interest, the price per related Fund Interest Unit as determined by the Calculation Agent either as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or Averaging Date, as the case may be, or either:

- (i) in respect of any Fund Interest to which the Reported Value Method is applicable, the Relevant Price shall be the Reported Fund Interest Value per related Fund Interest Unit determined as of the Valuation Date or Averaging Date, as the case may be, subject to the applicable Reported Value Convention; provided that if the applicable Final Terms provides that the Reported Value Method is subject to Calculation Agent Adjustment, the Calculation Agent shall:
 - (i) adjust the Reported Fund Interest Value to reflect, without duplication, the relevant portion per Fund Interest Unit of: (A) such fees and costs as would be charged to the Hypothetical Investor pursuant to the Fund Documents, (B) such other fees as are specified as ‘Redemption Fees’ in the applicable Final Terms, and (C) the Redemption Proceeds relating to such Fund Interest Unit, in each case in connection with a deemed redemption as of the Scheduled Redemption Valuation Date relating to such Valuation Date or Averaging Date, as the case may be, of all Fund Interest Units that are subject to valuation; and
 - (ii) if the

Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, notify the parties that Deemed Payout Method shall apply; and

- (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, the Relevant Price per related Fund Interest Unit in respect of a Valuation Date or Averaging Date, as the case may be, shall be an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that would be received by the Hypothetical Investor in the such Fund Interest in connection with a redemption of all Fund Interest Units that are subject to valuation during the period from, and including, the Initial Observation Date to, and including, the Final Observation Date relating to such Valuation Date or Averaging Date, as the case may be.

“Removal Event” shall be declared by the Calculation Agent if, following a Reallocation Event relating to the Reference Fund, it is unable to identify a Successor Fund by the Removal End Date. On the Removal End Date, the Calculation Agent will allocate the Removal Value to a notional zero coupon bond or such other instrument(s) specified in the applicable Final Terms, for the remainder of the term of the Notes.

“Removal End Date” means the date on which Redemption Proceeds are paid to a Hypothetical Investor.

“Removal Value” means the Redemption Proceeds minus (i) all expenses and costs incurred by a Hypothetical Investor in connection with (a) redemption of Fund Interest Units in the Affected Fund; (b) subscription for Fund Interest Units in the Successor Reference Fund; (ii) a spread and cost of funding.

“Reported Fund Interest Value” means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest and Fund Reporting Date relating to such Fund Interest, the value of such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date or, if the related Reference Fund reports only its aggregate Net Asset Value, the portion of such Reference Fund’s aggregate Net Asset Value relating to such number of Fund Interest Units or amount of such Fund Interest as of the related Fund Valuation Date, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Reference Fund to its investors or a publishing service.

“Reported Value Convention” means the method for determining the Reported Fund Interest Value with respect to any Fund Interest as of any Valuation Date or Averaging Date that is not a Scheduled Fund Valuation Date or Scheduled Redemption Valuation Date, as applicable. The following terms, when used to specify the Reported Value Convention, shall result in the Reported Fund Interest Value to be determined as follows:

- (i) if ‘Prior Redemption Valuation Date’ is specified, or if no other Reported Value Convention is specified, the Reported Fund Interest Value shall be determined as of the immediately preceding Scheduled Redemption Valuation Date;
- (ii) if ‘Prior Fund Valuation Date’ is specified, the Reported Fund Interest Value shall be determined as of the immediately preceding Scheduled Fund Valuation Date;
- (iii) if ‘Last Reported Value’ is specified, the Reported Fund Interest Value shall be the most recently available Reported Fund Interest Value for the relevant number of Fund Interest Units or amount of the relevant Fund Interest;
- (iv) if ‘Following Fund Valuation Date’ is specified, then such Valuation Date or Averaging Date, as applicable, shall be postponed until the next following

Scheduled Fund Valuation Date and the Reported Fund Interest Value shall be determined as of such Scheduled Fund Valuation Date; and

- (v) if 'Following Redemption Valuation Date' is specified, then such Valuation Date or Averaging Date, as applicable, shall be postponed until the next following Scheduled Redemption Valuation Date and the Reported Fund Interest Value shall be determined as of such Scheduled Redemption Valuation Date,

subject to adjustment in each case if any such Valuation Date is a Fund Disrupted Day.

“Reported Value Method” means, in relation to any Fund Interest, a certain valuation method reflected in the operations of the Relevant Price, Final Price and other provisions herein, and which shall be applicable to such Fund Interest if so specified in the applicable Final Terms.

“Reporting Disruption” means, in respect of any Fund Interest, (i) occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the applicable Final Terms or, if no such time period is specified, the foreseeable future; (ii) any failure of the related Reference Fund to deliver, or cause to be delivered, (A) information that such Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent, or (B) information that has been previously delivered to the Calculation Agent, in accordance with such Reference Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary to monitor such Reference Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests.

“Scheduled Fund Valuation Date” means, with respect to any Fund Interest, a date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Funds Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Reference Fund only reports its aggregate Net Asset Value, the date as of which such Reference Fund is scheduled to determine aggregate Net Asset Value.

“Scheduled Redemption Payment Date” means the date specified as such in the applicable Final Terms or if no date is so specified, with respect to any Fund Interest and any Scheduled Redemption Valuation Date, the date by which the related Reference Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to a Hypothetical Investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

“Scheduled Redemption Valuation Date” means, with respect to any Fund Interest, the date as of which the related Reference Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the Net Asset Value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to an Investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms, or if no such date is specified, the Scheduled Redemption Valuation Date occurring (i) if Reported Value Method is applicable, on such Valuation Date or Averaging Date, as the case may be, or if no Scheduled Redemption Valuation Date is occurring on such Valuation Date or Averaging Date, the immediately preceding Scheduled Redemption Valuation Date, or (ii) if Deemed Payout

Method is applicable, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

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

“**Settlement Cycle**” means the period specified as such in the applicable Final Terms, or, if no period is so specified, (i) in respect of any Fund Interest to which Reported Value Method is applicable, the period of Currency Business Days from, and including, any Scheduled Redemption Valuation Date to, and including, the related Scheduled Redemption Payment Date, and (ii) in respect of any Fund Interest to which Deemed Payout Method is applicable, two (2) Currency Business Days.

“**Strategy Breach**” means any actual or anticipated material breach or violation of any strategy or investment guidelines stated in the Fund Documents including but not limited to breach any applicable leverage restriction.

“**Subscription Notice Date**” means, with respect to any Fund Interest and any Reference Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no such date is specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Reference Fund and be considered effective as of such Reference Fund Subscription Date. If the applicable Final Terms does not specify a Subscription Notice Date or a Reference Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Trade Date.

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

“**Trading Agreement**” means a trading agreement entered into between the Reference Fund, the Calculation Agent and the Fund Manager and/or Fund Adviser.

“**Valid Date**” means:

- (i) in respect of Fund Interests to which Reported Value Method is applicable, a Fund Business Day; and
- (ii) in respect of Fund Interests to which Deemed Payout Method is applicable, a Currency Business Day, in each case that is not a Fund Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

“**Valuation Date**” means:

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

“**Valuation Time**” means, in respect of a Fund Interest, the time specified as such in the applicable Final Terms or, if no such time is specified, (a) in respect of a Fund Interest to which Reported Value Method is applicable, the time as of which the Reported Fund Interest Value is determined, and (b) in respect of a Fund Interest to which Deemed Payout Method is applicable, the close of business in the Hypothetical Investor Jurisdiction on the relevant date.

12. Events of Default

12.01 The following events or circumstances as modified by, and/or such other events as may be specified in, the applicable Final Terms (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 in respect of the Notes of the relevant Series or any of them on the due date for payment 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.

12.02 If any Event of Default shall occur in relation to any Series of Notes, any Holder of a Note of the relevant Series may, by written notice to the Issuer, at the specified office of the Issuing and Paying Agent, declare that such Note and (unless the Note is a Zero Coupon Note) all interest then accrued on such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Outstanding Principal Amount or, if such Note is a Zero Coupon Note, its Amortised Face Amount (as defined in Condition 6.12) or such other Early Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms, together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Notes of the relevant Series shall have been cured.

13. Taxation

13.01 All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes will be paid free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Canada, any province or territory or political subdivision thereof or any authority or agency therein or thereof having power to tax or, in the case of Notes issued by a branch of the Issuer located outside Canada, the country in which such branch is located or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law or the interpretation or administration thereof. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Holder after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or Coupons (as the case may be), in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a Holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with Canada or the country in which such branch is located otherwise than the mere holding of such Note, Receipt or Coupon; or
- (ii) to, or to a third party on behalf of, a Holder in respect of whom such tax, duty, assessment or governmental charge is required to be withheld or deducted by reason of the Holder being a person with whom the Issuer is not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)); or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives; or
- (iv) presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union; or
- (v) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day.

13.02 For the purposes of these Conditions, the “**Relevant Date**” means, in respect of any Note, Receipt or Coupon, the date on which payment thereof first become due and payable, or, if the full amount of the moneys payable has not been received by the Issuing and Paying Agent, or as the case may be, the Registrar on or prior to such due date, the date on which, the full amount of such moneys shall have been so received and notice to that effect shall have been duly given to the Holders in accordance with Condition 19.

13.03 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 is located, references in Condition 6.02 and Condition 13.01 to Canada or the country in which the relevant branch is located shall be read and construed as references to Canada or the country in which such branch is located and/or to such other jurisdiction(s).

13.04 Any reference in these Conditions to any payment due in respect of the Notes, Receipts or Coupons shall be deemed to include any additional amounts which may be payable under this Condition 13. Unless the context otherwise requires, any reference in these Terms and Conditions to “**principal**” shall include any premium payable in respect of a Note, any Instalment Amount, Redemption Amount and any other amounts in the nature of principal payable pursuant to these Terms and Conditions, Disruption Cash Settlement Price, Failure to Deliver Settlement Price and “**interest**” shall include all amounts payable pursuant to Condition 5 and any other amounts in the nature of interest payable pursuant to these Terms and Conditions.

14. Payments

Payments – Bearer Notes

14.01 Conditions 14.01 to 14.07 are applicable in relation to Notes in bearer form.

14.02 Payment of amounts (other than interest) due in respect of Bearer Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount other than the final Instalment Amount) surrender of the relevant Bearer Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note which is a Definitive Note with Receipts will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relevant Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

14.03 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 14.04 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 14.04 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 14.04 applies) the United States.

14.04 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 14.07 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.

14.05 Unless otherwise specified in the applicable Final Terms, if the due date for payment of any amount due in respect of any Bearer Note is not a Payment Day (as defined in Condition 14.14), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Day 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 Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, if appropriate, Condition 5.10.

14.06 Each Definitive Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:

- (i) unless otherwise specified in the applicable Final Terms, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the Redemption Amount due) relating to Definitive Notes that are Fixed Rate Notes or bear interest in fixed amounts will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within two years of the Relevant Date applicable to payment of such Redemption Amount (whether or not the Issuer's obligation to make payment in respect of such Coupon would otherwise have ceased under Condition 15);
- (ii) unless otherwise specified in the applicable Final Terms, all unmatured Coupons relating to such Definitive Notes that are Floating Rate Notes or that bear interest in variable amounts (whether or not such Coupons are surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
- (iii) in the case of Definitive Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
- (iv) in the case of Definitive Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 14.06 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.

14.07 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 14.04 applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 15 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

14.08 Conditions 14.08 to 14.11 are applicable in relation to Notes in registered form.

14.09 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 Day (as defined in Condition 14.14), then the Holder thereof will not be entitled to payment thereof until the next day which is a Payment Day, and from such day and thereafter will be entitled to receive payment by cheque on any local banking day, and, will be entitled to payment by transfer to a designated account on any day which is a local banking day, a Payment Day 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 Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, as appropriate, Condition 5.13.

14.10 Payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount) 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 as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth Relevant Banking Day (as defined in Condition 2.06) before the due date for such payment (the “**Record Date**”).

14.11 Notwithstanding the provisions of Condition 14.13, payment of amounts (whether principal, interest or otherwise) due (other than the Final Redemption Amount) in respect of Registered Notes will be made in the currency in which such amount is due by cheque and posted to the address (as recorded in the register held by the Registrar) of the Holder thereof (or, in the case of Joint Holders, the first-named) on the Relevant Banking Day (as defined in Condition 2.06) not later than the relevant due date for payment unless prior to the relevant Record Date the Holder thereof (or, in the case of joint Holders, the first-named) has applied to the Registrar and the Registrar has acknowledged such application for payment to be made to a designated account denominated in the relevant currency in which case payment shall be made on the relevant due date for payment by transfer to such account. In the case of payment by transfer to an account, if the due date for any such payment is not a Payment Day, then the Holder thereof will not be

entitled to payment thereof until the first day thereafter which is a Payment Day 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 Terms and Conditions in which event interest shall continue to accrue as provided in Condition 5.06 or, as appropriate, Condition 5.10.

Payments – General Provisions

14.12 Save as otherwise specified in these Terms and Conditions, Conditions 14.13 to 14.15 are applicable in relation to Notes whether in bearer or in registered form.

14.13 Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency (or in the case of euro, an account to which euro may be credited or transferred) specified by the payee. In the case of Bearer Notes, if payments are made by transfer, such payments will only be made by transfer to an account maintained by the payee outside of the United States. In no event will payment of amounts due in respect of Bearer Notes be made by a cheque mailed to an address in the United States. Payments will, without prejudice to the provisions of Condition 13, be subject in all cases to any applicable fiscal or other laws and regulations.

14.14 For the purposes of these Terms and Conditions:

- (i) “**local banking day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon; and
- (ii) “**Payment Day**” means (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 Financial Centre(s) specified in the Final Terms or (b) in the case of payment in euro, a day which is a TARGET2 Business Day and on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Financial Centre(s) specified in the applicable Final Terms.

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

14.16 Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Issuer to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Final Terms.

14.17 Unless specified otherwise in the applicable Final Terms, if the Issuer is due to make a payment in a currency (the “**original currency**”) other than euro in respect of any Note, Coupon or Receipt and the original currency is not available on the foreign exchange markets due to the imposition of exchange controls, the original currency’s replacement or disuse or other circumstances beyond the Issuer’s control, the Issuer will be entitled to satisfy its obligations in respect of such payment by making payment in euro on the basis of the spot exchange rate (the “**Euro FX Rate**”) at which the original currency is offered in exchange for euro in the London

foreign exchange market (or, at the option of the Calculation Agent, in the foreign exchange market of any other financial centre which is then open for business) at noon, London time, two Business Days prior to the date on which payment is due or, if the Euro FX Rate is not available on that date, on the basis of a substitute exchange rate determined by the Calculation Agent acting in its absolute discretion from such source(s) and at such time as it may select. For the avoidance of doubt, the Euro FX Rate or substitute exchange rate as aforesaid may be such that the resulting euro amount is zero and in such event no amount of euro or the original currency will be payable. Any payment made in euro or non-payment in accordance with this paragraph will not constitute an Event of Default under Condition 12.

15. Prescription

15.01 In respect of Notes governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, subject to applicable law, the Issuer's obligation to pay an amount of principal and interest in respect of Notes will cease if the Notes or Coupons, as the case may be, are not presented within two years after the Relevant Date (as defined in Condition 13.02) for payment thereof, or such other length of time as is specified in the applicable Final Terms.

15.02 In respect of Deposit Notes governed by English law (whether in bearer or registered form), Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 13.02) therefor.

15.03 In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void pursuant to Condition 14.06 or this Condition 15 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.

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

16.01 The initial Paying Agents and the Registrar and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the applicable Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Issuing and Paying Agent) or the Registrar or the Calculation Agent and to appoint additional or other Paying Agents or another Registrar or another Calculation Agent provided that it will at all times maintain (i) an Issuing and Paying Agent, (ii) in the case of Registered Notes, a Registrar, (iii) 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 or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directives (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, 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 14.04, a Paying Agent with a specified office in New York City, and (vii) a Calculation Agent where required by the Terms and 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 Terms

and 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 19.

16.02 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 its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Issue and Paying Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

16.03 Notwithstanding the foregoing, the Issuing and Paying Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect of any Notes issued pursuant to the Programme that are payable and/or dischargeable by the Issuer by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Issuer or an affiliate thereof shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Notes. The applicable Final Terms relating to such Notes shall include the relevant details regarding the applicable Paying Agent.

17. Replacement of Notes

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent or any Paying Agent (in the case of Bearer Notes and Coupons) or of the Registrar (in the case of Registered Notes) (the “**Replacement Agent**”), subject to all applicable laws and the requirements of any stock exchange on which the Notes are listed, upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require. Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

18. Meetings of Holders and Modification

The Issue and Paying Agency Agreement contains provisions for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Issue and Paying Agency Agreement) of these Terms and Conditions insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series, except that without the consent and affirmative vote of each Holder of Notes, no Extraordinary Resolution may: (i) amend the Maturity Date or other redemption date of the Notes, any date for payment of an Instalment Amount or any Interest Payment Date in respect of any Notes (ii) reduce or cancel the Outstanding Principal Amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) reduce the Rate or 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 and/or a Maximum Rate of Interest, Instalment Amount, or Redemption Amount is indicated in the Final Terms, reduce any such Minimum and/or Maximum, (v) change any method of or basis for, calculating the Final Redemption Amount or Early Redemption Amount,

including the method of or basis for, calculating the Amortised Face Amount, (vi) subject to any applicable redenomination provisions specified in the Final Terms, change the Specified Currency or Currencies of payment or Specified Denomination of the Notes, (vii) modify the provisions concerning the quorum required at any meeting of Holders of Notes or the majority required to pass an Extraordinary Resolution or (viii) modify or eliminate any of items (i) through (vii), inclusive above unless passed at a meeting of the Holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

The Issuer may, with the consent of the Issuing and Paying Agent, but without the consent of the Holders of the Notes of any Series or Coupons, amend these Terms and Conditions insofar as they may apply to such Notes to correct a manifest error. Subject as aforesaid, no other modification may be made to these Terms and Conditions as they apply to the Notes of a Series except with the sanction of an Extraordinary Resolution adopted by the Holders of such Series.

19. Notices

To Holders of Bearer Notes

19.01 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

19.02 Notices to Holders of Registered Notes, save where another means of effective communication has been specified herein or in the applicable Final Terms, 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, and 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.

To Issuer

19.03 Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Fiscal Agent or the Registrar, as the case may be. While any of the Notes are represented by a Global Note, such notice may be given by any accountholder to the Fiscal Agent through Euroclear and/or Clearstream, as the case may be, in such manner as the Fiscal Agent or the Registrar and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

20. 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.

21. Currency Indemnity

The currency in which the Notes are denominated or, if different, payable, as specified in the Final Terms (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgement or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first day on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgement, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgement or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

22. 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.

23. Branch of Account

23.01 This Condition 23 applies to Deposit Notes only. For the purposes of the *Bank Act* (Canada) the branch of the Bank set out in the Note or the Final Terms shall be the branch of account (the “**Branch of Account**”) for the deposits evidenced by this Note.

23.02 The Note will be paid without the necessity of first being presented for payment at the Branch of Account.

23.03 If the Branch of Account is not in Canada, the Bank may change the Branch of Account for the deposits evidenced by the Deposit Note, upon not less than seven days’ prior notice to the

Holder given in accordance with Condition 19 and upon and subject to the following terms and conditions:

- (i) if the Deposit Note is denominated in Yen, the Branch of Account shall not be in Japan;
- (ii) the Issuer shall indemnify and hold harmless the Holders of the Deposit Notes 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 and interest 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 his 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 and includes Canada, its provinces or territories and the jurisdiction in which the new Branch of Account is located, and “**taxes**” means and includes any tax, duty, assessment or other governmental charge imposed or levied in respect of the 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.

24. Amendment Option and Conversion Option

This Condition 24 is applicable to Subordinated Notes only.

- (i) The Issuer may, with the prior approval of the Superintendent of Financial Institutions (Canada) (the “**Superintendent**”), without the Holders’ consent, at any time upon notice to Holders given not less than 30 days but not more than 60 days prior to the effective date of the amendment, amend these Conditions such that, with effect from the date specified in such notice, the Notes constitute deposit liabilities of the Issuer for purposes of the *Bank Act* (Canada) evidencing the same, continuing debt obligations as the Subordinated Notes so amended, constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* with all other deposit liabilities of the Issuer (except as otherwise prescribed by law) and without any preference amongst themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future (except as otherwise prescribed by law) and the Events of Default in Condition 12.01(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.

25. *Contracts (Rights of Third Parties) Act 1999*

No person shall have any rights to enforce any term or condition of any Deposit Notes governed by English law under the *Contracts (Rights of Third Parties) Act 1999*, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

26. Law and Jurisdiction

26.01 The Issue and Paying Agency Agreement, the Subordinated Notes and Receipts, Coupons and Talons related thereto and, unless otherwise specified in the Final Terms, the Deposit Notes and Receipts, Coupons and Talons related thereto are governed by and shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

26.02 In the case of Deposit Notes issued on a non-syndicated basis only, if specified in the Final Terms, the Deposit Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with such Deposit Notes, Receipt, Coupons and Talons shall be governed by, and shall be construed in accordance with, English law.

26.03 If the governing law for the Deposit Notes, the Receipts, the Coupons and the Talons is specified in the Final Terms as being English law, the Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any such Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any such Notes, Receipts, Coupons or Talons) and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any such Notes, Receipts, Coupons or Talons) (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the Holders of such Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). The Issuer irrevocably agrees that service of process in any such Proceedings in England shall be deemed completed on delivery to its London branch at 71 Queen Victoria Street, London EC4V 4DE (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Holders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

USE OF PROCEEDS

Except as otherwise set out in the applicable Final Terms, the net proceeds of the issue of each Tranche of Notes will be added to the general funds of the Issuer or used for hedging the Notes. Except as otherwise set forth in the applicable Final Terms, the purpose of an issue of Subordinated Notes will be to enlarge the Issuer's capital base.

FORM OF RETAIL FINAL TERMS

(Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000 (or its equivalent in another currency)).

Final Terms dated •

[Logo]

ROYAL BANK OF CANADA

(a Canadian chartered bank)

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the U.S.\$40,000,000,000 Programme for the Issuance of Notes

[Notice Regarding Offers in the EEA

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) in that Relevant Member State in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 49 of Part A below, provided such person is one of the persons mentioned in Paragraph 49 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]¹

[The Prospectus referred to below (as contemplated by these Final Terms) has been prepared on the basis of any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in

¹ Include this legend only where there is a non-exempt offer of Notes anticipated.

relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]²

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated • [and the supplemental Prospectus[es] dated •]³ which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus [and the supplemental Prospectus[es]], together with all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Prospectus] dated [original date] [and the supplemental Prospectus[es] dated •]³ and incorporated by reference in the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus[es] dated •]³, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Prospectus] dated [original date] [and the supplemental Prospectus[es] dated •] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Prospectuses] dated [original date] and the Prospectus dated [current date] [and the supplemental Prospectus[es] dated •]. The [Prospectuses] [and the supplemental Prospectus[es]] are available for viewing and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.]

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

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently

² Include this legend only where there is an exempt offer of Notes anticipated.

³ Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive. If so, to avoid rescission rights applicable to a supplement, one can do a stand-alone prospectus incorporating by reference the Registration and Securities Note elements of the Prospectus and including the Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a Summary.]

1. Issuer: Royal Bank of Canada
 Branch: [] [London Branch] [Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus]

2. [(i)] Series Number: []
 [(ii)] Tranche Number: []
 (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]

3. Specified Currency or Currencies: []
 (Condition 1.10)

4. Aggregate Principal Amount: []
 [(i)] Series: []
 [(ii)] Tranche: []

5. Issue Price: [] per cent of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]

6. (a) Specified Denominations: []
 (Condition 1.08 or 1.09)
[Note – where Bearer Notes with multiple denominations are being used, the following sample wording should be followed:

[[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].]**

[So long as the Notes are represented by a Temporary Global Note or Permanent Global Note

** If item 37 indicates that a Global Note is exchangeable for Definitive Notes at the option of a Noteholder, the Specified Denominations may not include integral multiples.

and the relevant clearing system(s) so permit, the Notes will be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of [●], notwithstanding that no definitive Notes will be issued with a denomination above [●].

(b) Calculation Amount:

[If only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination, and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note – there must be a common factor in the case of two or more Specified Denominations or integral multiples in excess of the Specified Denomination(s).]

7. (i) Issue Date:

[]

(ii) Interest Commencement Date

[Specify/Issue Date /Not Applicable]

8. Maturity Date:

[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

(In the case of Index Linked Notes, Equity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)

9. Interest Basis:

[[●] per cent. Fixed Rate]

[[LIBOR/EURIBOR/Other (specify)] +/-][●] per cent. Floating Rate]

[Zero Coupon]

[Currency Linked Interest]

[Commodity Linked Interest]

[Equity Linked Interest]

[Index Linked Interest]

[Credit Linked Interest]

[Fund Linked Interest]

[Dual Currency Interest]

- [Non-interest bearing]
 [Other (*Specify*)]
 (*Further particulars specified below*)
10. [(a)] Redemption/Payment Basis⁴:
 [Redemption at par]
 [Currency Linked Redemption]
 [Commodity Linked Redemption]
 [Equity Linked Redemption]
 [Index Linked Redemption]
 [Credit Linked Redemption]
 [Fund Linked Redemption]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [Other (*Specify*)]
- [(b)] Protection Amount: [Principal Protected/[•] per cent. of the Specified Denomination/Not Applicable]⁵
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis / Not Applicable*]
12. Put/ Option/ Call Option/ Obligatory Redemption: [Investor Put]
 [Issuer Call]
 [Obligatory Redemption]
 [(further particulars specified below)]
13. [(i)] Status of the Notes: [Deposit/Subordinated] Notes
- [(ii)] [Date [Board] approval for issuance of Notes obtained: [] [and []], respectively]
 (*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or, if Subordinated Notes, specify date of most recent Standing Resolution of Board of Directors for issue of Subordinated Indebtedness obtained if other than 25 February, 2009*)
14. Method of distribution: [Syndicated/Non-syndicated]

⁴ If the Final Redemption Amount is other than 100% of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

⁵ Only applies to Reference Item Linked Notes.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(Condition 5.02) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [on/or] []
[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)/other]
- (vi) Determination Dates: [] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(Condition 5.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]

- (iv) Business Centre(s): []
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent): []
- (vii) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions)
 - Interest Determination Date(s): []
(Second London business day prior to start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to start of each Interest Period if EURIBOR or euro LIBOR.)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is on page which shows a composite rate or amend fallback provisions appropriately.)
 - Relevant Time: []
 - Reference Banks: []
- (viii) ISDA Determination: Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
(Condition 5.05)

- (xi) Maximum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.12 for alternatives)
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [] per cent per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
18. **Currency Linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Relevant Currency: [•]
- (ii) Description of formula to be used to determine the Rate of Interest: [Give details]/[See Schedule]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to the formula is impossible or impracticable: [Applicable/Not Applicable] *[If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]

- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[Specify other]]
- (vi) Additional Financial Centre(s): [•]
- (vii) Minimum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.12 for alternatives)
- (x) Other terms or special conditions:⁶ [•]
19. **Commodity Linked Interest Note Provisions** [Applicable/Not Applicable]
[If not applicable, delete remaining sub-paragraphs of this paragraph]
- (i) Relevant Commodity or Commodities: [Single Commodity/Basket of Commodities] *[Give details]*/[See Schedule]
- (ii) Description of formula to be used to determine the Rate of Interest: *[Give details]*/[See Schedule]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to the Commodities and/or formula is impossible or impracticable: [Applicable/Not Applicable] *[If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]

⁶ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[Specify other]]
- (vi) Additional Financial Centre(s): [•]
- (vii) Minimum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.12 for alternatives)
- (x) Other terms or special conditions: ⁷ [•]
20. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]
[If not applicable, delete the remaining subparagraphs of this paragraph]
- (i) Whether the Notes relate to a basket of indices or a single index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi- Exchange Index: [Single Index/Basket of Indices]
Index or Indices:
Index Sponsor(s):
Multi- Exchange Index : [Yes/No]
- (ii) Description of formula to be used to determine the Rate of Interest: [•]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to Index or Indices and/or formula is impossible or impracticable: [Applicable/Not Applicable] *[If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]

⁷ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (v) Observation Period(s): [•]
- (vi) Observation Date(s):
- (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[Specify other]]
- (viii) Additional Financial Centre(s): [•]
- (ix) Minimum Rate of Interest: [[•] per cent. per annum/ [Not Applicable]
- (x) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (xi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
- (See definitions in Condition 5.12 for alternatives)
- (xii) Valuation Date(s): [•] (where Averaging Dates are to be used, ensure all relevant details are included (Omission/Postponement/Modified Postponement))
- (xiii) Valuation Time: [Condition 8.03 applies/(Specify if other)]
- (xiv) Disrupted Day: [If applicable, consider provisions for calculation of the Reference Level if a Disrupted Day occurs included in Condition 8.02(ii) and if not appropriate insert appropriate provisions]
- (xv) Exchange(s): [•]
- (xvi) Related Exchange(s): [All Exchanges]/[•]
- (xvii) Initial Level: [•]
- (xviii) Strike Level: [•]
- (xix) Multiplier for each Index comprising the Basket of Indices: [Insert details/Not Applicable]

(xx) Index Adjustment Event:	[Applicable/Not Applicable] [See Condition 8.02(ii)]
(xxi) Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xxii) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xxiii) Hedging Entity:	[Specify any entity other than the Issuer or its Affiliates]
(xxiv) Others terms or special conditions: ⁸	[•]
21. Equity Linked Interest Note Provisions	[Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
(i) Whether the Notes relate to a basket of equity securities or a single equity security (each an Underlying Equity) and the identity of the relevant issuer(s) of the Underlying Equity/Equities (each an Equity Issuer):	[Single Underlying Equity/Basket of Underlying Equities] [Give or annex details of issuer(s)] (a) Underlying Equity/Equities: [Existing ordinary shares of the Equity Issuer] (b) Equity Issuer: [•] (Bloomberg code [•]); (c) ISIN/Common Code: [•]/[•]
(ii) Description of formula to be used to determine the Rate of Interest:	[Give details]/[See Schedule]
(iii) Provisions for determining the Rate of Interest where calculation by reference to the Underlying Equities and/or formula is impossible or impracticable:	[Applicable/Not Applicable] [If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]
(iv) Specified Period(s)/Specified Interest Payment Date(s):	[•]
(v) Observation Period(s):	[•]
(vi) Observation Date(s):	[•]

⁸ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

(vii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention[Specify other]]
(viii) Additional Financial Centre(s):	[•]
(ix) Minimum Rate of Interest:	[[•] per cent. per annum/[Not Applicable]
(x) Maximum Rate of Interest:	[[•] per cent. per annum/[Not Applicable]
(xi) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Actual/Actual (ICMA) Other]
	<i>(See definitions in Condition 5.12 for alternatives)</i>
(xii) Valuation Date(s):	[•] <i>(where Averaging Dates are to be used, ensure all relevant details are included (Omission/Postponement/Modified Postponement))</i>
(xiii) Valuation Time:	[Condition 9.03 applies/(Specify if other)]
(xiv) Disrupted Day:	<i>[If applicable consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs which are included in Condition 9.05 are appropriate and, if they are not, insert appropriate provisions]</i>
(ix) Initial Price:	[•]
(ix) Strike Price:	[•]
(x) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.02):	[Not Applicable/Insert details]
(xi) Trade Date:	<i>[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]</i>
(xii) Potential Adjustment Events:	Applicable/Not Applicable [See Condition 9.02(i)]
(xiii) De-listing:	[Applicable/Not Applicable]

(xiv) Merger Event:	[Applicable/Not Applicable]
(xv) Nationalisation:	[Applicable/Not Applicable]
(xvi) Insolvency:	[Applicable/Not Applicable]
(xvii) Tender Offer:	[Applicable/Not Applicable]
(xviii) Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xix) Exchange(s):	[•]
(xx) Related Exchange(s):	[All Exchanges]/[•]
(xxiii) Exchange Rate:	[Applicable/Not Applicable] <i>[If applicable, insert details]</i>
(xxi) ADR provisions:	[Applicable/Not Applicable] <i>[If not applicable, delete the sub-paragraph of this item]</i> <i>(a) ADRs: [Specify issuer and ISIN of ADRs]</i> <i>(b) Underlying Share: [Specify the shares underlying the ADRs]</i> <i>(c) Underlying Share Issuer: [Specify name of underlying share issuer]</i>
(xxii) Hedging Entity:	<i>[Specify any entity other than the Issuer or its Affiliates]</i>
(xxiii) Other terms or special conditions: ⁹	[•]
22. Fund Linked Interest Note Provisions¹⁰	[Applicable/Not Applicable] <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i>
(i) Reference Fund or Funds:	[Single Reference Fund <i>(Give details for each Reference Fund)</i> /Basket of Reference Funds] [•] (ISIN: [•]) <i>(Give details for each Reference Fund)</i> / [See Schedule]
(ii) Description of formula to be used to determine the Rate of Interest:	<i>[Give details]</i> / [See Schedule]

⁹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

¹⁰ Note that in the case of listed Funds, certain of the Equity Linked Note provisions, such as, for example, Merger Event, De-Listing and Tender Offer, may also be relevant and combined with the Fund Linked provisions.

- (iii) Provisions for determining the Rate of Interest where calculation by reference to the Reference Fund(s) and/or formula is impossible or impracticable: [Applicable/Not Applicable] [*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*Specify other*]]
- (vi) Additional Financial Centre(s): [•]
- (vii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.12 for alternatives)
- (viii) Cash Loan: [Applicable/Not Applicable (*if applicable, specify*)]
- (ix) Fund Administrator: [Not Applicable/Applicable (*if applicable, specify*)]
- (x) Fund Adviser: [Not Applicable/Applicable (*if applicable, specify*)]
- (xi) Fund Manager: [Not Applicable/Applicable (*if applicable, specify*)]
- (xii) Potential Adjustment Events: [Applicable/Not Applicable]
- (xiii) Extraordinary Events: [Applicable/Not Applicable] (*If Applicable, give details*)
- (a) Nationalisation: [Applicable/Not Applicable]
- (b) Insolvency: [Applicable/Not Applicable]
- (c) Others: [Specify]
- (xiv) Extraordinary Fund Events:
- (a) Fund Insolvency Event: [Applicable/Not Applicable]
- (b) Adviser Termination Event: [Applicable/Not Applicable]

(c) Strategy Breach:	[Applicable/Not Applicable]
(d) Regulatory Action:	[Applicable/Not Applicable]
(e) Reporting Disruption:	[Applicable/Not Applicable]
(f) Modification of Fund Documents:	[Applicable/Not Applicable]
(g) Hedging Disruption:	[Applicable/Not Applicable]
(h) Increased Cost of Hedging:	[Applicable/Not Applicable]
(i) Change in Law:	[Applicable/Not Applicable]
(j) Change in Tax Law:	[Applicable/Not Applicable]
(k) NAV Disruption Event:	[Applicable/Not Applicable]
(l) Failure to Deliver Information:	[Applicable/Not Applicable]
(m) Legal Action:	[Applicable/Not Applicable]
(n) Change in Treatment:	[Applicable/Not Applicable]
(o) Due Diligence Failure:	[Applicable/Not Applicable]
(p) Breach or Termination of Trading Agreement:	[Applicable/Not Applicable]
(q) NAV Trigger Event:	[Applicable (<i>insert percentage amount and period</i>)/Not Applicable]
(r) Key Person Event:	[Applicable (<i>give details of key person(s)</i>)/Not Applicable]
(s) Minimum Outstanding amount of Notes:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(t) Benchmark Change:	[Applicable (<i>insert amount</i>) /Not Applicable]
(u) Organisational Change:	[Applicable/Not Applicable]
(v) Assets Under Management Trigger:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(w) Others:	[Applicable (<i>give details</i>)/Not Applicable]
(xv) Fund Business Day:	[Applicable (<i>give details</i>)/Not Applicable]
(xvi) Fund Disruption Event:	[Specify if different from definition in Condition 11.06]

(xvii) Fund Disrupted Day:	[Applicable/Not Applicable]
(xviii) Initial Observation Date:	[•]
(xix) Final Observation Date:	[•]
(xx) Valuation Date:	[•] (where Averaging Dates are to be used, ensure all relevant details are included (Omission/ Postponement/ Modified Postponement))
(xxi) Valuation Time:	[•]
(xxii) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xxiii) Hedging Party:	[Applicable (give details)/Not Applicable]
(xxiv) Hypothetical Investor Jurisdiction:	[Applicable (give details)/Not Applicable]
(xxv) Cut-off Period:	[Specify period if different from definition in Condition 11.06 and any Final Cut-off Date]
(xxvi) Final Price:	[Specify if different from definition in Condition 11.06]
(xxvii) Redemption Notice Date:	[Specify if different from definition in Condition 11.06]
(xxviii) Reference Fund Subscription Date:	[Specify if different from definition in Condition 11.06]
(xxix) Relevant Price:	[Specify if different from definition in Condition 11.06]
(xxx) Reported Value Convention:	[See alternatives in Condition 11.06]
(xxxi) Scheduled Redemption Payment Date:	[Specify if different from definition in Condition 11.06]
(xxxii) Settlement Cycle:	[Specify period if different from definition in Condition 11.06]
(xxxiii) Subscription Notice Date:	[Specify if different from definition in Condition 11.06]
(xxxiv) Other terms or special conditions: ¹¹	[•]

¹¹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

23. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iii) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

24. **Call Option** [Applicable/Not Applicable]
 (Condition 6.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period¹² []
25. **Put Option** [Applicable/Not Applicable]
 (Condition 6.06) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period⁷ []

¹² If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its fiscal agent or any trustee.

26. **Obligatory Redemption** (Condition 6.08) [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Obligatory Redemption Date(s): [•]
- (ii) Obligatory Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•]
27. **Final Redemption Amount of each Note**¹³ [[] per Calculation Amount/other/see below/see Appendix]
- [Ensure provisions for each type of Note are contained in the Schedule or are completed below. Delete provisions that are not applicable to the Notes.]*
28. **Currency Linked Redemption Notes** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- [Give details]/[See Schedule]
- (i) Relevant Currency: [•]
- (ii) Relevant provisions for determining the Final Redemption Amount: [•]
- (iii) Other terms or special conditions:¹⁴ [•]
29. **Commodity Linked Redemption Note Provisions** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Relevant Commodity/Commodities: [•]
- (ii) Relevant provisions for determining the Final Redemption Amount: [•]
- (iii) Other terms or special conditions:¹⁵ [•]

¹³ If the Final Redemption Amount is other than 100% of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

¹⁴ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

¹⁵ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

30. Index Linked Redemption Note Provisions	[Applicable/Not Applicable] <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph]</i>
(i) Whether the Notes relate to a basket of indices or a single index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi- Exchange Index:	[Single Index/Basket of Indices] Index or Indices: Index Sponsor(s): Multi- Exchange Index : [Yes/No]
(ii) Relevant provisions for determining the Final Redemption Amount:	[•]
(iii) Observation Period(s):	[•]
(iv) Observation Date(s):	[•]
(v) Valuation Date(s):	[•] <i>(where Averaging Dates are to be used, ensure all relevant details are included (Omission/ Postponement/Modified Postponement))</i>
(vi) Valuation Time:	[Condition 8.03 applies/(Specify if other)]
(vii) Disrupted Day:	<i>[If applicable, consider provisions for calculation of the Reference Level if a Disrupted Day occurs included in Condition 8.02(ii) and if not appropriate insert appropriate provisions]</i>
(viii) Multiplier for each Index comprising the Basket of Indices:	[Not Applicable/Applicable] <i>(if applicable, insert details)</i>
(ix) Index Adjustment Event:	[Applicable/Not Applicable] [See Condition 8.02(ii)]
(x) Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xi) Exchange(s):	[•]
(xii) Related Exchange(s):	[All Exchanges]/[•]
(xiii) Initial Level:	[•]
(xiv) Strike Level:	[•]

- (xv) Multiplier for each Index comprising the Basket of Indices: [Insert details/Not Applicable]
- (xvi) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
- (xvii) Hedging Entity: [Specify any entity other than the Issuer or its Affiliates]
- (xviii) Other terms or special conditions:¹⁶ [•]
31. **Equity Linked Redemption Note Provisions** [Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Whether the Notes relate to a basket of equity securities or a single equity security (each an Underlying Equity) and the identity of the relevant issuer(s) of the Underlying Equity/Equities (each an Equity Issuer): [Single Underlying Equity/Basket of Underlying Equities] [Give or annex details of issuer(s)]
- (a) Underlying Equity/Equities: [Existing ordinary shares of the Equity Issuer]
- (b) Equity Issuer: [•] (Bloomberg code [•]);
- (c) ISIN/Common Code: [•]/[•]
- [(ii) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:] [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
- [If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply]
- (iii) Relevant provisions for determining the Final Redemption Amount: [•]
- (iv) Observation Period(s): [•]
- (v) Observation Date(s): [•]
- (vi) Valuation Date(s): [•] (where Averaging Dates are to be used, ensure all relevant details are included (Omission/Postponement/ Modified Postponement))
- (vii) Valuation Time: [Condition 9.03 applies/(Specify if other)]

¹⁶ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (viii) Disrupted Day: *[If applicable consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs which are included in Condition 9.05 are appropriate and, if they are not, insert appropriate provisions]*
- (ix) Initial Price: [•]
- (ix) Strike Price: [•]
- (x) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.02): [Not Applicable/Insert details]
- (xi) Trade Date: *[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]*
- (xii) Potential Adjustment Events: Applicable/Not Applicable *[See Condition 9.02(i)]*
- (xiii) De-listing: [Applicable/Not Applicable]
- (xiv) Merger Event: [Applicable/Not Applicable]
- (xv) Nationalisation: [Applicable/Not Applicable]
- (xvi) Insolvency: [Applicable/Not Applicable]
- (xvii) Tender Offer: [Applicable/Not Applicable]
- (xviii) Additional Disruption Events: [Applicable/Not Applicable]
[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Other]
- (xix) Exchange(s): [•]
- (xx) Related Exchange(s): [All Exchanges]/[•]
- (xxi) Exchange Rate: [Applicable/Not Applicable] *[If applicable, insert details]*
- (xxii) ADR Provisions: [Applicable/Not Applicable] *[If not applicable, delete the sub-paragraph of this item]*
(a) ADRs: [Specify issuer and ISIN of ADRs]
(b) Underlying Share: [Specify the shares underlying the ADRs]
(c) Underlying Share Issuer: [Specify name of underlying share issuer]

- (xxiii) Hedging Entity: *[Specify any entity other than the Issuer or its Affiliates]*
- (xxiv) Other terms or special conditions: ¹⁷ [•]
32. **Fund Linked Redemption Note Provisions**¹⁸ *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Relevant provisions for determining the Final Redemption Amount: [•]
- (ii) Reference Fund or Funds: *[(Specify in respect of each Reference Fund)]* (ISIN: [•])
- (iii) Cash Loan: *[Applicable (Specify nominal amount)/Not Applicable]*
- (iv) Fund Administrator: *[Not Applicable/Applicable (if applicable, specify)]*
- (v) Fund Adviser: *[Not Applicable/Applicable (if applicable, specify)]*
- (vi) Fund Manager: *[Not Applicable/Applicable (if applicable, specify)]*
- (vii) Potential Adjustment Events: *[Applicable/Not Applicable]*
- (viii) Extraordinary Events: *[Applicable/Not Applicable] (If Applicable, give details)*
- (a) Nationalisation: *[Applicable/Not Applicable]*
- (b) Insolvency: *[Applicable/Not Applicable]*
- (c) Others: *[Specify]*
- (ix) Extraordinary Fund Events:
- (a) Fund Insolvency Event: *[Applicable/Not Applicable]*
- (b) Adviser Termination Event: *[Applicable/Not Applicable]*
- (c) Strategy Breach: *[Applicable/Not Applicable]*
- (d) Regulatory Action: *[Applicable/Not Applicable]*
- (e) Reporting Disruption: *[Applicable/Not Applicable]*
- (f) Modification of Fund Documents: *[Applicable/Not Applicable]*

¹⁷ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

¹⁸ Note that in the case of listed funds, certain of the Equity Linked Notes provisions, such as, for example, Merger Event, De-Listing and Tender Offer, may also be relevant and combined with the Fund Linked provisions.

(g) Hedging Disruption:	[Applicable/Not Applicable]
(h) Increased Cost of Hedging:	[Applicable/Not Applicable]
(i) Change in Law:	[Applicable/Not Applicable]
(j) Change in Tax Law:	[Applicable/Not Applicable]
(k) NAV Disruption Event:	[Applicable/Not Applicable]
(l) Failure to Deliver Information:	[Applicable/Not Applicable]
(m) Legal Action:	[Applicable/Not Applicable]
(n) Change in Treatment:	[Applicable/Not Applicable]
(o) Due Diligence Failure:	[Applicable/Not Applicable]
(p) Breach or Termination of Trading Agreement:	[Applicable/Not Applicable]
(q) NAV Trigger Event:	[Applicable (<i>insert percentage amount and period</i>)/Not Applicable]
(r) Key Person Event:	[Applicable (<i>give details of key person(s)</i>)/Not Applicable]
(s) Minimum Outstanding amount of Notes:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(t) Benchmark Change:	[Applicable (<i>insert amount</i>) /Not Applicable]
(u) Organisational Change:	[Applicable/Not Applicable]
(v) Assets Under Management Trigger:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(w) Others:	[Applicable (<i>give details</i>)/Not Applicable]
(x) Fund Business Day:	[Applicable (<i>give details</i>)/Not Applicable]
(xi) Final Description Event:	[Specify if different from definition in Condition 11.06]
(xi) Fund Disrupted Day:	[Applicable/Not Applicable]
(xii) Initial Observation Date:	[•]
(xiii) Final Observation Date:	[•]
(xiv) Valuation Date:	[•] (<i>where Averaging Dates are to be used, ensure all relevant details are included (Omission/ Postponement/ Modified Postponement)</i>)

(xv) Valuation Time:	[•]
(xvi) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xvii) Hedging Party:	[Applicable (give details)/Not Applicable]
(xviii) Hypothetical Investor Jurisdiction:	[Applicable (give details)/Not Applicable]
(xix) Cut-off Period:	[Specify period if different from definition in Condition 11.06 and any Final Cut-off Date]
(xx) Final Price:	[Specify if different from definition in Condition 11.06]
(xxi) Redemption Notice Date:	[Specify if different from definition in Condition 11.06]
(xxii) Reference Fund Subscription Date:	[Specify if different from definition in Condition 11.06]
(xxiii) Relevant Price:	[Specify if different from definition in Condition 11.06]
(xxiv) Reported Value Convention:	[See alternatives in Condition 11.06]
(xxv) Scheduled Redemption Payment Date:	[Specify if different from definition in Condition 11.06]
(xxvi) Settlement Cycle:	[Specify period if different from definition in Condition 11.06]
(xxvii) Subscription Notice Date:	[Specify if different from definition in Condition 11.06]
(xxviii) Other terms or special conditions: ¹⁹	[•]
33. Credit Linked Redemption Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i) Relevant provisions for determining Final Redemption Amount:	[•]
(ii) Person responsible for making calculations:	[•]

¹⁹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

(iii) Other terms or special conditions;²⁰

34. **Dual Currency Redemption Note Provisions** [Applicable (*give details*)/Not Applicable]

35. **Early Redemption Amount**

(i) Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default or other early redemption and/or the method of calculating the same (including, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 8, or in the case of Equity Linked Notes or Fund Linked Notes, following De-listing and/or Merger Event and/or Nationalisation and/or Insolvency in accordance with Condition 9, or in the case of Equity Linked Notes or Index Linked Notes, following an Additional Disruption Event (if applicable), or in the case of Fund Linked Notes, following an Extraordinary Event in accordance with Condition 11) (if required or if different from that set out in the Conditions): [] per Calculation Amount/other/see Appendix [If effective date for changes in law triggering redemption for taxation reasons is not Issue Date, indicate effective date.]

(ii) Early Redemption Amount includes amount in respect of accrued interest: [Yes: no additional amount in respect of accrued interest to be paid / No: together with the Early Redemption Amount, accrued interest shall also be paid]

[N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Early Redemption Amount, if at all.]

36. **Physical Delivery** [Applicable/Not Applicable]

(i) Relevant Assets: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]

(ii) Asset Amount: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]

(iii) Cut-off Date: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]

²⁰ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (iv) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Conditions: *[Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

37. (i) New Global Note or Classic Global Note: [New Global Note] [Classic Global Note]
- (If the Bearer Notes are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note should only be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a “yes” election is made in the section in Part B under the heading “Operational Information” entitled “Intended to be held in a manner which would allow Eurosystem eligibility”.)*
- (ii) Form of Notes: **[Bearer Notes:]**
- [Bearer Notes exchangeable for Registered Notes]
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice]

[Permanent Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice/at any time/in the limited circumstances specified in the Permanent Global Note]
[Registered Notes]
38. Financial Centre(s) or other special provisions relating to payment dates: *[Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii) and 16(iv) relate]*
39. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
(Condition 1.06)

40. Details relating to Partly Paid Notes: [Not Applicable/*give details*]
amount of each payment comprising
the Issue Price and date on which
each payment is to be made [and
consequences (if any) of failure to
pay, including any right of the
Issuer to forfeit the Notes and
interest due on late payment]:
41. Details relating to Instalment Notes: [Not Applicable/*give details*]
amount of each instalment
(“**Instalment Amounts**”), date on
which each payment is to be made
(“**Instalment Dates**”):
42. Redenomination provisions: [Not Applicable/The provisions annexed hereto apply]
43. Consolidation provisions: [Not Applicable/The provisions annexed hereto apply]
44. Other final terms: [Not Applicable/*give details*]
- [When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*
- [Include Notice provisions other than those found in Condition 19]*
- [Include additional Events of Default (Condition 12.01) and any Default Interest Rate (Condition 5.06)]*

DISTRIBUTION

45. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, [addresses and underwriting commitments]*]
*[(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)]**
- (ii) Date of [Subscription] Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]

46. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
47. Total commission and concession: [] per cent. of the Aggregate Principal Amount]
48. U.S. Selling Restrictions: [Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable] [Rule 144A eligible]
49. Non-Exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a general description of other parties involved in non-exempt offers (e.g. “Other parties authorised by the Managers”)] (together with the Managers, the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the period from [specify date] (until [specify date or a formula such as “the Issue Date” or “the date which falls [] Business Days thereafter”] (“**Offer Period**”). See further Paragraph 14 of Part B below]
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*
50. Additional selling restrictions: [Not Applicable/give details]
- [The Notes may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]²¹
51. Exchange Date: []
52. Certification of non-Canadian beneficial ownership: [Applicable/Not Applicable]

²¹ Consider including this prohibition/certification, among others for Notes permitting physical settlement of securities.

53. The Aggregate Principal Amount [U.S.\$●] [Not Applicable] of the Notes issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of:
54. Governing law (if other than the [English law / Not Applicable]²² laws of the Province of Ontario and the federal laws of Canada applicable therein):

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [the admission to [the Official List of [*specify stock exchange*] and to] trading on [*specify relevant [regulated] market*] of the Notes described herein pursuant to the U.S.\$40,000,000,000 Debt Issuance Programme of Royal Bank of Canada.]

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

²² English law may only be elected in the case of Deposit Notes issued on a non-syndicated basis.

PART B – OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Not Applicable.]

Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: AA- [A+ for Subordinated Debt]]

[Moody's: Aaa [Aa1 for Subordinated Notes]]

[[Other]: []]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

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

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

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

** If an issue of Notes is not admitted to trading on a regulated market or the PSM or offered to the public in the EEA in circumstances requiring publication of a prospectus then certain items are not mandatory, including section 2 – 8 and 10 of this Part B.

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

[(i) Reasons for the offer []
(See [“Use of Proceeds”] wording in Prospectus – if reasons for offer different from that set out in the Prospectus will need to include those reasons here.)]

[(ii)] Estimated net proceeds: ●

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

[(iii)] Estimated total expenses: ●

[N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

5. [Fixed Rate Notes only – YIELD

Indication of yield: ●

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

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

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

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

7. [Index-Linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

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

[Identify source of all third party information.]

8. PERFORMANCE OF [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES]] (Currency Linked Notes Only)

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)

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

[Identify source of all third party information.]

9. PERFORMANCE OF [THE COMMODITY], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY]] (Commodity Linked Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of where past and future performance and volatility of [the Commodity] can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

10. PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING (Dual Currency Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

11. PERFORMANCE OF [UNDERLYING EQUITY / BASKET OF UNDERLYING EQUITIES / REFERENCE FUND / BASKET OF REFERENCE FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING EQUITY / BASKET OF UNDERLYING EQUITIES / REFERENCE FUND / BASKET OF REFERENCE FUNDS (Equity Linked Notes And Fund Linked Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive

explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)

Where the underlying is Equity or an investment or mutual fund, need to include the name of underlying and need to include details of where the information about the Equity can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

12. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY] (Credit Linked Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

13. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Name(s) and address(es) of Initial Paying Agents, Registrar and Transfer Agents: []
- (vi) Names and addresses of additional Paying Agent(s), [Registrar and Transfer Agents] (if any): []
- (vii) Name(s) and address(es) of Calculation Agent(s): [Not Applicable / []]
- (viii) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not Applicable]
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria] [include this text if “yes” is selected *in which case the Notes must be issued in NGN form*]

14. TERMS AND CONDITIONS OF THE OFFER*

- Offer Price: [Issue Price] [Not Applicable] [*specify*]
- Conditions to which the offer is subject: [Not Applicable / *give details*]
- Description of the application process: [Not Applicable / *give details*]

* Delete unless non-exempt public offers in the EEA are intended.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable / *give details*]

Details of the minimum and/or maximum amount of application: [Not Applicable / *give details*]

Details of the method and time limits for paying up and delivering the Notes: [Not Applicable / *give details*]

Manner and date in which results of the offer are to be made public: [Not Applicable / *give details*]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable / *give details*]

Categories of potential Investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable / *give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable / *give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable / *give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None / *give details*]

FORM OF WHOLESALE FINAL TERMS

(Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency)).

Final Terms dated •

[Logo]

ROYAL BANK OF CANADA

(a Canadian chartered bank)

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
under the U.S.\$40,000,000 Programme for the Issuance of Notes

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated • [and the supplemental Prospectus[es] dated •]¹ which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus [and the supplemental Prospectus[es]], together with all documents incorporated by reference therein, [is] [are] available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> under the name Royal Bank of Canada and the headline “Publication of Prospectus” and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the [Prospectus] dated [original date] [and the supplemental Prospectus[es] dated •]¹ and incorporated by reference in the Prospectus dated [current date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus[es] dated •]¹, which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Prospectus] dated

¹ Only include details of a supplemental Prospectus in which the Conditions have been amended for the purposes of all future issues under the Programme.

[original date] [and the supplemental Prospectus[es] dated •] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the [Prospectuses] dated [original date] and the Prospectus dated [current date] [and the supplemental Prospectus[es] dated •]. The [Prospectuses] [and the supplemental Prospectus[es]] are available for viewing and copies may be obtained from the offices of the Issuer, Royal Bank Plaza, 200 Bay Street, 8th Floor, South Tower, Toronto, Ontario, Canada and the offices of the Issuing and Paying Agent, 71 Queen Victoria Street, London, EC4V 4DE, England.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive. If so, to avoid rescission rights applicable to a supplement, one can do a stand-alone prospectus incorporating by reference the Registration and Securities Note elements of the Prospectus and including the Final Terms (but renamed Pricing Supplement) and specific Risk Factors (if any) and a Summary.]

1. Issuer: Royal Bank of Canada
Branch: [] [London Branch] [Main Toronto Branch located at the Executive Offices at the address indicated at the back of the Prospectus]
2. [(i)] Series Number: []
[(ii)] Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)
3. Specified Currency or Currencies: []
(Condition 1.10)
4. Aggregate Principal Amount: []
[(i)] Series: []
[(ii)] Tranche: []
5. Issue Price: [] per cent of the Aggregate Principal Amount [plus accrued interest from [insert date] (if applicable)]

6. (a) Specified Denominations:
(Condition 1.08 or 1.09)

[]

[Note – where Bearer Notes with multiple denominations are being used, the following sample wording should be followed:

*[[●] [and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●].]***

[So long as the Notes are represented by a Temporary Global Note or Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and higher integral multiples of [●], notwithstanding that no definitive Notes will be issued with a denomination above [●]].

- (b) Calculation Amount:

[If only one Specified Denomination and no integral multiples in excess thereof, insert the Specified Denomination. If there is more than one Specified Denomination, and no integral multiples in excess thereof, insert the highest common factor of the Specified Denominations. If there are integral multiples in excess of the Specified Denomination(s), insert the highest common factor of the integral multiples and the Specified Denomination(s).] [Note – there must be a common factor in the case of two or more Specified Denominations or integral multiples in excess of the Specified Denomination(s).]

7. (i) Issue Date:

[]

- (ii) Interest Commencement Date

[Specify/Issue Date /Not Applicable]

8. Maturity Date:

[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

(In the case of Index Linked Notes, Equity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)

** If item 37 indicates that a Global Note is exchangeable for Definitive Notes at the option of a Noteholder, the Specified Denominations may not include integral multiples.

9. Interest Basis:
- [•] per cent. Fixed Rate]
 - [[LIBOR/EURIBOR/Other (*specify*)] +/-][•] per cent. Floating Rate]
 - [Zero Coupon]
 - [Currency Linked Interest]
 - [Commodity Linked Interest]
 - [Equity Linked Interest]
 - [Index Linked Interest]
 - [Credit Linked Interest]
 - [Fund Linked Interest]
 - [Dual Currency Interest]
 - [Non-interest bearing]
 - [Other (*Specify*)]
- (Further particulars specified below)*
10. [(a)] Redemption/Payment Basis²:
- [Redemption at par]
 - [Currency Linked Redemption]
 - [Commodity Linked Redemption]
 - [Equity Linked Redemption]
 - [Index Linked Redemption]
 - [Credit Linked Redemption]
 - [Fund Linked Redemption]
 - [Dual Currency Redemption]
 - [Partly Paid]
 - [Instalment]
 - [Other (*Specify*)]
- [(b)] Protection Amount:
- [Principal Protected/[•] per cent. of the Specified Denomination/Not Applicable]]³
11. Change of Interest or Redemption/Payment Basis:
- [*Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis / Not Applicable*]

² If the Final Redemption Amount is other than 100% of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

³ Only applies to Reference Item Linked Notes.

12. Put/ Option/ Call Option/ Obligatory Redemption: [Investor Put]
[Issuer Call]
[Obligatory Redemption]
[(further particulars specified below)]
13. [(i)] Status of the Notes: [Deposit/Subordinated] Notes
[(ii)] [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]
(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or, if Subordinated Notes, specify date of most recent Standing Resolution of Board of Directors for issue of Subordinated Indebtedness obtained if other than 25 February, 2009)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(Condition 5.02) *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [on/or] []
[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)/other]
- (vi) Determination Dates: [] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
 (Condition 5.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (iv) Business Centre(s): []
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Issuing and Paying Agent): []
- (vii) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions)
- Interest Determination Date(s): []
(Second London business day prior to start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to start of each Interest Period if EURIBOR or euro LIBOR.)
- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is on page which shows a composite rate or amend fallback provisions appropriately.)
- Relevant Time: []
- Reference Banks: []

- (viii) ISDA Determination: Issuer is [Fixed Rate/Fixed Amount/Floating Rate/Floating Amount] Payer
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (ix) Margin(s): [+/-][] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xi) Maximum Rate of Interest: [] per cent. per annum
(Condition 5.05)
- (xii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.12 for alternatives)
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Amortisation Yield: [] per cent per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []

18. Currency Linked Interest Note Provisions	[Applicable/Not Applicable] <i>[If not applicable, delete the remaining subparagraphs of this paragraph]</i>
(i) Relevant Currency:	[•]
(ii) Description of formula to be used to determine the Rate of Interest:	[Give details]/[See Schedule]
(iii) Provisions for determining the Rate of Interest where calculation by reference to the formula is impossible or impracticable:	[Applicable/Not Applicable] <i>[If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]</i>
(iv) Specified Period(s)/Specified Interest Payment Date(s):	[•]
(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Specify other]]
(vi) Additional Financial Centre(s):	[•]
(vii) Minimum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
(viii) Maximum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
(ix) Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis 30E/360 (ISDA) Actual/Actual (ICMA) Other] <i>(See definitions in Condition 5.12 for alternatives)</i>
(x) Other terms or special conditions: ⁴	[•]

⁴ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

19. **Commodity Linked Interest Note Provisions** [Applicable/Not Applicable]
- [If not applicable, delete remaining sub-paragraphs of this paragraph]
- (i) Relevant Commodity or Commodities: [Single Commodity/Basket of Commodities] [Give details]/[See Schedule]
- (ii) Description of formula to be used to determine the Rate of Interest: [Give details]/[See Schedule]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to the Commodities and/or formula is impossible or impracticable: [Applicable/Not Applicable] [If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Specify other]]
- (vi) Additional Financial Centre(s): [•]
- (vii) Minimum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (viii) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (ix) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
- (See definitions in Condition 5.12 for alternatives)
- (x) Other terms or special conditions:⁵ [•]

⁵ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

20. **Index Linked Interest Note Provisions** [Applicable/Not Applicable]
[If not applicable, delete the remaining sub-paragraphs of this paragraph]
- (i) Whether the Notes relate to a basket of indices or a single index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi- Exchange Index: [Single Index/Basket of Indices]
Index or Indices:
Index Sponsor(s):
Multi- Exchange Index : [Yes/No]
- (ii) Description of formula to be used to determine the Rate of Interest: [•]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to Index or Indices and/or formula is impossible or impracticable: [Applicable/Not Applicable] *[If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (v) Observation Period(s): [•]
- (vi) Observation Date(s):
- (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[Specify other]]
- (viii) Additional Financial Centre(s): [•]
- (ix) Minimum Rate of Interest: [[•] per cent. per annum/ [Not Applicable]
- (x) Maximum Rate of Interest: [[•] per cent. per annum]/[Not Applicable]
- (xi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
(See definitions in Condition 5.12 for alternatives)

(xii) Valuation Date(s):	[•] (where Averaging Dates are to be used, ensure all relevant details are included (Omission/Postponement/Modified Postponement))
(xiii) Valuation Time:	[Condition 8.03 applies/(Specify if other)]
(ix) Disrupted Day:	[If applicable, consider provisions for calculation of the Reference Level if a Disrupted Day occurs included in Condition 8.02(ii) and if not appropriate insert appropriate provisions]
(x) Exchange(s):	[•]
(xi) Related Exchange(s):	[All Exchanges]/[•]
(xii) Initial Level:	[•]
(xiii) Strike Level:	[•]
(xiv) Multiplier for each Index comprising the Basket of Indices:	[Insert details/Not Applicable]
(xv) Index Adjustment Event:	[Applicable/Not Applicable] [See Condition 8.02(ii)]
(xvi) Additional Disruption Events:	[Applicable/Not Applicable] [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xvii) Exchange(s):	[•]
(xviii) Related Exchange(s):	[All Exchanges]/[•]
(xix) Strike Level:	[•]
(xx) Multiplier for each Index comprising the Basket of Indices:	[Insert details/Not Applicable]
(xxi) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xxii) Hedging Entity:	[Specify any entity other than the Issuer or its Affiliates]
(xxiii) Others terms or special conditions: ⁶	[•]

⁶ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

21. **Equity Linked Interest Note Provisions** [Applicable/Not Applicable] [*If not applicable, delete the remaining sub-paragraphs of this paragraph*]
- (i) Whether the Notes relate to a basket of equity securities or a single equity security (each an Underlying Equity) and the identity of the relevant issuer(s) of the Underlying Equity/Equities) (each an Equity Issuer): [Single Underlying Equity/Basket of Underlying Equities] [*Give or annex details of issuer(s)*]
- (a) Underlying Equity/Equities: [Existing ordinary shares of the Equity Issuer]
- (b) Equity Issuer: [•] (Bloomberg code [•]);
- (c) ISIN/Common Code: [•]/[•]
- (ii) Description of formula to be used to determine the Rate of Interest: [*Give details*]/[See Schedule]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to the Underlying Equities and/or formula is impossible or impracticable: [Applicable/Not Applicable] [*If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (v) Observation Period(s): [•]
- (vi) Observation Date(s): [•]
- (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][*Specify other*]
- (viii) Additional Financial Centre(s): [•]
- (ix) Minimum Rate of Interest: [[•] per cent. per annum/[Not Applicable]]
- (x) Maximum Rate of Interest: [[•] per cent. per annum/[Not Applicable]]
- (xi) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Actual/Actual (ICMA)
Other]
- (*See definitions in Condition 5.12 for alternatives*)

(xii) Valuation Date(s):	[•] (where Averaging Dates are to be used, ensure all relevant details are included (Omission/Postponement/Modified Postponement))
(xiii) Valuation Time:	[Condition 9.03 applies/(Specify if other)]
(xiv) Disrupted Day:	[If applicable consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs which are included in Condition 9.05 are appropriate and, if they are not, insert appropriate provisions]
(xv) Initial Price:	[•]
(xvi) Strike Price:	[•]
(xvii) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.02):	[Not Applicable/Insert details]
(xviii) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xix) Potential Adjustment Events:	Applicable/Not Applicable [See Condition 9.02(i)]
(xx) De-listing:	[Applicable/Not Applicable]
(xxi) Merger Event:	[Applicable/Not Applicable]
(xxii) Nationalisation:	[Applicable/Not Applicable]
(xxiii) Insolvency:	[Applicable/Not Applicable]
(xxiv) Tender Offer:	[Applicable/Not Applicable]
(xxv) Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xxvi) Exchange(s):	[•]
(xxvii) Related Exchange(s):	[All Exchanges]/[•]
(xxviii) Exchange Rate:	[Applicable/Not Applicable] [If applicable, insert details]

- (xxix) ADR provisions: [Applicable/Not Applicable] *[If not applicable, delete the sub-paragraph of this item]*
- (a) ADRs: *[Specify issuer and ISIN of ADRs]*
- (b) Underlying Share: *[Specify the shares underlying the ADRs]*
- (c) Underlying Share Issuer: *[Specify name of underlying share issuer]*
- (xxx) Hedging Entity: *[Specify any entity other than the Issuer or its Affiliates]*
- (xxxi) Other terms or special conditions: ⁷ [•]
- 22. Fund Linked Interest Note Provisions⁸** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
- (i) Reference Fund or Funds: [Single Reference Fund *(Give details for each Reference Fund /Basket of Reference Funds)*]
- [•] (ISIN: [•])*(Give details for each Reference Fund)*/[See Schedule]
- (ii) Description of formula to be used to determine the Rate of Interest: *[Give details]*/[See Schedule]
- (iii) Provisions for determining the Rate of Interest where calculation by reference to the Reference Fund(s) and/or formula is impossible or impracticable: [Applicable/Not Applicable] *[If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Specified Period(s)/Specified Interest Payment Date(s): [•]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*[Specify other]*]
- (vi) Additional Financial Centre(s): [•]
- (vii) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)]

⁷ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

⁸ Note that in the case of listed Funds, certain of the Equity Linked Note provisions, such as, for example, Merger Event, De-Listing and Tender Offer, may also be relevant and combined with the Fund Linked provisions.

	Actual/Actual (ICMA)
	Other]
	<i>(See definitions in Condition 5.12 for alternatives)</i>
(viii) Cash Loan:	[Applicable (if applicable, specify)/Not Applicable]
(ix) Fund Administrator:	[Not Applicable/Applicable (if applicable, specify)]
(x) Fund Adviser:	[Not Applicable/Applicable (if applicable, specify)]
(xi) Fund Manager:	[Not Applicable/Applicable (if applicable, specify)]
(xii) Potential Adjustment Events:	[Applicable/Not Applicable]
(xiii) Extraordinary Events:	[Applicable/Not Applicable] <i>(If Applicable, give details)</i>
(a) Nationalisation:	[Applicable/Not Applicable]
(b) Insolvency:	[Applicable/Not Applicable]
(c) Others:	[Specify]
(xiv) Extraordinary Fund Events:	
(a) Fund Insolvency Event:	[Applicable/Not Applicable]
(b) Adviser Termination Event:	[Applicable/Not Applicable]
(c) Strategy Breach:	[Applicable/Not Applicable]
(d) Regulatory Action:	[Applicable/Not Applicable]
(e) Reporting Disruption:	[Applicable/Not Applicable]
(f) Modification of Fund Documents:	[Applicable/Not Applicable]
(g) Hedging Disruption:	[Applicable/Not Applicable]
(h) Increased Cost of Hedging:	[Applicable/Not Applicable]
(i) Change in Law:	[Applicable/Not Applicable]
(j) Change in Tax Law:	[Applicable/Not Applicable]
(k) NAV Disruption Event:	[Applicable/Not Applicable]
(l) Failure to Deliver Information:	[Applicable/Not Applicable]
(m) Legal Action:	[Applicable/Not Applicable]
(n) Change in Treatment:	[Applicable/Not Applicable]
(o) Due Diligence Failure:	[Applicable/Not Applicable]

(p) Breach or Termination of Trading Agreement:	[Applicable/Not Applicable]
(q) NAV Trigger Event:	[Applicable (<i>insert percentage amount and period</i>)/Not Applicable]
(r) Key Person Event:	[Applicable (<i>give details of key person(s)</i>)/Not Applicable]
(s) Minimum Outstanding amount of Notes:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(t) Benchmark Change:	[Applicable (<i>insert amount</i>) /Not Applicable]
(u) Organisational Change:	[Applicable/Not Applicable]
(v) Assets Under Management Trigger:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(w) Others:	[Applicable (<i>give details</i>)/Not Applicable]
(xvi) Fund Business Day:	[Applicable (<i>give details</i>)/Not Applicable]
(xvii) Final Description Event:	[Specify if different from definition in Condition 11.06]
(xviii) Fund Disrupted Day:	[Applicable/Not Applicable]
(xix) Initial Observation Date:	[•]
(xx) Final Observation Date:	[•]
(xxi) Valuation Date:	[•] (<i>where Averaging Dates are to be used, ensure all relevant details are included (Omission/ Postponement/ Modified Postponement)</i>)
(xxii) Valuation Time:	[•]
(xxiii) Trade Date:	[Issue Date (<i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i>)] / [Insert Trade Date of related swap transaction (<i>if different from Issue Date</i>)]
(xxiv) Hedging Party:	[Applicable (<i>give details</i>)/Not Applicable]
(xxv) Hypothetical Investor Jurisdiction:	[Applicable (<i>give details</i>)/Not Applicable]
(xxvi) Cut-off Period:	[Specify period if different from definition in Condition 11.06 and any Final Cut-off Date]
(xxvii) Final Price:	[Specify if different from definition in Condition 11.06]

- (xxviii) Redemption Notice Date: [Specify if different from definition in Condition 11.06]
- (xxix) Reference Fund Subscription Date: [Specify if different from definition in Condition 11.06]
- (xxx) Relevant Price: [Specify if different from definition in Condition 11.06]
- (xxxi) Reported Value Convention: [See alternatives in Condition 11.06]
- (xxxii) Scheduled Redemption Payment Date: [Specify if different from definition in Condition 11.06]
- (xxxiii) Settlement Cycle: [Specify period if different from definition in Condition 11.06]
- (xxxiv) Subscription Notice Date: [Specify if different from definition in Condition 11.06]
- (xxvi) Other terms or special conditions:⁹ [•]

23. **Dual Currency Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iii) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

24. **Call Option** [Applicable/Not Applicable]
 (Condition 6.03) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount

⁹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period¹⁰ []
25. **Put Option** [Applicable/Not Applicable]
(Condition 6.06) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period¹¹ []
26. **Obligatory Redemption** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
(Condition 6.08)
- (i) Obligatory Redemption Date(s): [•]
- (ii) Obligatory Redemption Amount of each Note and method, if any, of calculation of such amount(s): [•]
27. **Final Redemption Amount of each Note**¹² [[] per Calculation Amount/other/see below/see Appendix]
[Ensure provisions for each type of Note are contained in the Schedule or are completed below. Delete provisions that are not applicable to the Notes.]
28. **Currency Linked Redemption Notes** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*
[Give details]/[See Schedule]
- (i) Relevant Currency: [•]
- (ii) Relevant provisions for determining the Final Redemption Amount: [•]

¹⁰ If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its fiscal agent or any trustee.

¹¹ If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the issuer and its fiscal agent or any trustee.

¹² If the Final Redemption Amount is other than 100% of the principal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

(iii) Other terms or special conditions: ¹³	[•]
29. Commodity Linked Redemption Note Provisions	[Applicable/Not Applicable] [<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>]
(i) Relevant Commodity/Commodities:	[•]
(ii) Relevant provisions for determining the Final Redemption Amount:	[•]
(iii) Other terms or special conditions: ¹⁴	[•]
30. Index Linked Redemption Note Provisions	[Applicable/Not Applicable] [<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>]
(i) Whether the Notes relate to a basket of indices or a single index and the identity of the relevant Index/Indices and details of the relevant Index Sponsor(s) and whether such Index / Indices is a Multi- Exchange Index:	[Single Index/Basket of Indices] Index or Indices: Index Sponsor(s): Multi- Exchange Index : [Yes/No]
(ii) Relevant provisions for determining the Final Redemption Amount:	[•]
(iii) Observation Period(s):	[•]
(iv) Observation Date(s):	[•]
(v) Valuation Date(s):	[•] (<i>where Averaging Dates are to be used, ensure all relevant details are included (Omission/ Postponement/ Modified Postponement)</i>)
(vi) Valuation Time:	[Condition 8.03 applies/(<i>Specify if other</i>)]
(vii) Disrupted Day:	[<i>If applicable, consider provisions for calculation of the Reference Level if a Disrupted Day occurs included in Condition 8.02(ii) and if not appropriate insert appropriate provisions</i>]
(viii) Multiplier for each Index comprising the Basket of Indices:	[Not Applicable/Applicable] (<i>if applicable, insert details</i>)
(ix) Index Adjustment Event:	[Applicable/Not Applicable] [<i>See Condition 8.02(ii)</i>]

¹³ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

¹⁴ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

(x) Additional Disruption Events:	[Applicable/Not Applicable] [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xi) Exchange(s):	[•]
(xii) Related Exchange(s):	[All Exchanges]/[•]
(xiii) Initial Level:	[•]
(xiv) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xv) Hedging Entity:	[Specify any entity other than the Issuer or its Affiliates]
(xvi) Other terms or special conditions: ¹⁵	[•]
31. Equity Linked Redemption Note Provisions	[Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
(i) Whether the Notes relate to a basket of equity securities or a single equity security (each an Underlying Equity) and the identity of the relevant issuer(s) of the Underlying Equity/Equities (each an Equity Issuer):	[Single Underlying Equity/Basket of Underlying Equities] [Give or annex details of issuer(s)] (a) Underlying Equity/Equities: [Existing ordinary shares of the Equity Issuer] (b) Equity Issuer: [•] (Bloomberg code [•]); (c) ISIN/Common Code: [•]/[•]
(ii) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply]	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] [If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply]
(iii) Relevant provisions for determining the Final Redemption Amount:	[•]
(iv) Observation Period(s):	[•]
(v) Observation Date(s):	[•]

¹⁵ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

(vi) Valuation Date(s):	[•] (where Averaging Dates are to be used, ensure all relevant details are included (Omission/Postponement/ Modified Postponement))
(vii) Valuation Time:	[Condition 9.03 applies/(Specify if other)]
(viii) Disrupted Day:	[If applicable consider whether the provisions for calculation of the Reference Price if a Disrupted Day occurs which are included in Condition 9.05 are appropriate and, if they are not, insert appropriate provisions]
(ix) Initial Price:	[•]
(x) Multiplier for each Underlying Equity comprising the basket (which is subject to adjustment as set out in Condition 9.02):	[Not Applicable/Insert details]
(xi) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)] / [Insert Trade Date of related swap transaction (if different from Issue Date)]
(xii) Potential Adjustment Events:	Applicable/Not Applicable [See Condition 9.02(i)]
(xiii) De-listing:	[Applicable/Not Applicable]
(xiv) Merger Event:	[Applicable/Not Applicable]
(xvi) Nationalisation:	[Applicable/Not Applicable]
(xvii) Insolvency:	[Applicable/Not Applicable]
(xvii) Tender Offer:	[Applicable/Not Applicable]
(xviii) Additional Disruption Events:	[Applicable/Not Applicable] [Change of Law] [Hedging Disruption] [Increased Cost of Hedging] [Other]
(xix) Exchange(s):	[•]
(xx) Related Exchange(s):	[All Exchanges]/[•]
(xxi) Exchange Rate:	[Applicable/Not Applicable] [If applicable, insert details]

- (xxii) ADR Provisions: [Applicable/Not Applicable] *[If not applicable, delete the sub-paragraph of this item]*
- (a) ADRs: *[Specify issuer and ISIN of ADRs]*
- (b) Underlying Share: *[Specify the shares underlying the ADRs]*
- (c) Underlying Share Issuer: *[Specify name of underlying share issuer]*
- (xxiii) Hedging Entity: *[Specify any entity other than the Issuer or its Affiliates]*
- (xxiv) Other terms or special conditions: ¹⁶ [•]
32. **Fund Linked Redemption Note Provisions**¹⁷ [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Relevant provisions for determining the Final Redemption Amount: [•]
- (ii) Reference Fund or Funds: *[(Specify in respect of each Reference Fund)]* (ISIN: [•])
- (iii) Cash Loan: [Applicable (*specify nominal amount*)/Not Applicable]
- (iv) Fund Administrator: [Not Applicable/Applicable (*if applicable, specify*)]
- (v) Fund Adviser: [Not Applicable/Applicable (*if applicable, specify*)]
- (vi) Fund Manager: [Not Applicable/Applicable (*if applicable, specify*)]
- (vii) Potential Adjustment Events: [Applicable/Not Applicable]
- (viii) Extraordinary Events: [Applicable/Not Applicable] *(If Applicable, give details)*
- (a) Nationalisation: [Applicable/Not Applicable]
- (b) Insolvency: [Applicable/Not Applicable]
- (c) Others: [Specify]
- (ix) Extraordinary Fund Events:
- (a) Fund Insolvency Event: [Applicable/Not Applicable]
- (b) Adviser Termination Event: [Applicable/Not Applicable]
- (c) Strategy Breach: [Applicable/Not Applicable]

¹⁶ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

¹⁷ Note that in the case of listed Funds, certain of the Equity Linked Note provisions, such as, for example, Merger Event, De-Listing and Tender Offer, may also be relevant and combined with the Fund Linked provisions.

(d)	Regulatory Action:	[Applicable/Not Applicable]
(e)	Reporting Disruption:	[Applicable/Not Applicable]
(f)	Modification of Fund Documents:	[Applicable/Not Applicable]
(g)	Hedging Disruption:	[Applicable/Not Applicable]
(h)	Increased Cost of Hedging:	[Applicable/Not Applicable]
(i)	Change in Law:	[Applicable/Not Applicable]
(j)	Change in Tax Law:	[Applicable/Not Applicable]
(k)	NAV Disruption Event:	[Applicable/Not Applicable]
(l)	Failure to Deliver Information:	[Applicable/Not Applicable]
(m)	Legal Action:	[Applicable/Not Applicable]
(n)	Change in Treatment:	[Applicable/Not Applicable]
(o)	Due Diligence Failure:	[Applicable/Not Applicable]
(p)	Breach or Termination of Trading Agreement:	[Applicable/Not Applicable]
(q)	NAV Trigger Event:	[Applicable (<i>insert percentage amount and period</i>)/Not Applicable]
(r)	Key Person Event:	[Applicable (<i>give details of key person(s)</i>)/Not Applicable]
(s)	Minimum Outstanding amount of Notes:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(t)	Benchmark Change:	[Applicable (<i>insert amount</i>) /Not Applicable]
(u)	Organisational Change:	[Applicable/Not Applicable]
(v)	Assets Under Management Trigger:	[Applicable (<i>insert amount if different from Condition 11.05</i>)/Not Applicable]
(w)	Others:	[Applicable (<i>give details</i>)/Not Applicable]
(x)	Fund Business Day:	[Applicable (<i>give details</i>)/Not Applicable]
(xi)	Final Description Event:	[Specify if different from definition in Condition 11.06]
(xii)	Fund Disrupted Day:	[Applicable/Not Applicable]
(xiii)	Initial Observation Date:	[•]

(xiv) Final Observation Date:	[•]
(xv) Valuation Date:	[•] <i>(where Averaging Dates are to be used, ensure all relevant details are included (Omission/ Postponement / Modified Postponement))</i>
(xvi) Valuation Time:	[•]
(xvii) Trade Date:	[Issue Date <i>(if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)</i>]/ [Insert Trade Date of related swap transaction <i>(if different from Issue Date)</i>]
(xviii) Hedging Party:	[Applicable <i>(give details)</i> /Not Applicable]
(xix) Hypothetical Investor Jurisdiction:	[Applicable <i>(give details)</i> /Not Applicable]
(xx) Cut-off Period:	[Specify period if different from definition in Condition 11.06 and any Final Cut-off Date]
(xxi) Final Price:	[Specify if different from definition in Condition 11.06]
(xxii) Redemption Notice Date:	[Specify if different from definition in Condition 11.06]
(xxiii) Reference Fund Subscription Date:	[Specify if different from definition in Condition 11.06]
(xxiv) Relevant Price:	[Specify if different from definition in Condition 11.06]
(xxvi) Reported Value Convention:	[See alternatives in Condition 11.06]
(xxvii) Scheduled Redemption Payment Date:	[Specify if different from definition in Condition 11.06]
(xxviii) Settlement Cycle:	[Specify period if different from definition in Condition 11.06]
(xxix) Subscription Notice Date:	[Specify if different from definition in Condition 11.06]
(xxx) Other terms or special conditions: ¹⁸	[•]

¹⁸ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

33. **Credit Linked Redemption Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Relevant provisions for determining Final Redemption Amount: [•]
- (ii) Person responsible for making calculations: [•]
- (iii) Other terms or special conditions;¹⁹
34. **Dual Currency Redemption Note Provisions** [Applicable (*give details*)/Not Applicable]
35. **Early Redemption Amount**
- (i) Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or on event of default or other early redemption and/or the method of calculating the same (including, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 8, or in the case of Equity Linked Notes or Fund Linked Notes, following De-listing and/or Merger Event and/or Nationalisation and/or Insolvency in accordance with Condition 9, or in the case of Equity Linked Notes and Index Linked Notes, following an Additional Disruption Event (if applicable), or in the case of Fund Linked Notes, following an Extraordinary Event in accordance with Condition 11) (if required or if different from that set out in the Conditions): [] per Calculation Amount/other/see Appendix [*If effective date for changes in law triggering redemption for taxation reasons is not Issue Date, indicate effective date.*]
- (ii) Early Redemption Amount includes amount in respect of accrued interest: [Yes: no additional amount in respect of accrued interest to be paid / No: together with the Early Redemption Amount, accrued interest shall also be paid]

[N.B. For all Notes attention should be given to how accrued interest should be included in the computation of the Early Redemption Amount, if at all.]

¹⁹ Note any additional disclosure requirements under the Principal Protected Notes Regulation (Canada) in respect of Notes sold in Canada.

36. **Physical Delivery** [Applicable/Not Applicable]
- (i) Relevant Assets: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]
- (ii) Asset Amount: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]
- (iii) Cut-off Date: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]
- (iv) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Conditions: [Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

37. (i) New Global Note or Classic Global Note: [New Global Note] [Classic Global Note]
- (If the Bearer Notes are intended to be eligible collateral for Eurosystem monetary policy and intra-day credit operations, the New Global Note should be used. The New Global Note should only be used if it is intended that the Notes be held in a manner which would allow Eurosystem eligibility and a “yes” election is made in the section in Part B under the heading “Operational Information” entitled “Intended to be held in a manner which would allow Eurosystem eligibility”.)*
- (ii) Form of Notes: **[Bearer Notes:]**
- [Bearer Notes exchangeable for Registered Notes]
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice]
 [Permanent Global Note exchangeable for Definitive Notes [and/or Registered Notes] on [] days’ notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Registered Notes]

38. Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii) and 16(iv) relate]
39. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): (Condition 1.06) [Yes/No. If yes, give details]
40. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: [Not Applicable/give details]
41. Details relating to Instalment Notes: amount of each instalment (“**Instalment Amounts**”), date on which each payment is to be made (“**Instalment Dates**”): [Not Applicable/give details]
42. Redenomination provisions: [Not Applicable/The provisions annexed hereto apply]
43. Consolidation provisions: [Not Applicable/The provisions annexed hereto apply]
44. Other final terms: [Not Applicable/give details]
- [When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]*
- [Include Notice provisions other than those found in Condition 19]*
- [Include additional Events of Default (Condition 12.01) and any Default Interest Rate (Condition 5.06)]*

DISTRIBUTION

45. (i) If syndicated, [names and addresses] * of Managers [and underwriting commitments]: [Not Applicable/give names, [addresses and underwriting commitments]*]
*[(Include names [and addresses] * of entities agreeing to underwrite the issue on a firm commitment basis and names [and addresses] * of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)]**
- [(ii) Date of [Subscription Agreement] *: []]
- [(iii)]Stabilising Manager(s) (if any): [Not Applicable/give name]
46. If non-syndicated, name [and address]* of Dealer: [Not Applicable/give name [and address]*]
47. U.S. Selling Restrictions: [Regulation S compliance Category 2;] [TEFRA C rules apply] [TEFRA D rules apply] [TEFRA rules not applicable] [Rule 144A eligible]
48. Additional selling restrictions: [Not Applicable/give details]
[The Notes may not be offered, sold or distributed, directly or indirectly, in Canada or to or for the benefit of, any resident in Canada]²⁰
49. Exchange Date: []
50. Certification of non-Canadian beneficial ownership: [Applicable/Not Applicable]
51. The Aggregate Principal Amount of the Notes issued has been translated into U.S. dollars at the rate of U.S.\$1.00 = [●], producing a sum of: [U.S.\$●] [Not Applicable]
52. Governing law (if other than the laws of the Province of Ontario and the federal laws of Canada applicable therein): [English law / Not Applicable]²¹

* Required for derivative securities to which Annex XII to the Prospectus Directive applies. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive.

²⁰ Consider including this prohibition/certification, among others for Notes permitting physical settlement of securities.

²¹ English law may only be elected in the case of Deposit Notes issued on a non-syndicated basis.

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and] [public offer in the Public Offer Jurisdictions] [and] [the admission to [the Official List of [*specify stock exchange*] and to] trading on [*specify relevant [regulated] market*] of the Notes described herein pursuant to the U.S.\$40,000,000,000 Debt Issuance Programme of Royal Bank of Canada.]

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION**

1. LISTING AND ADMISSION TO TRADING

[(i) Listing/Admission to trading:] Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to [the Official List of the UKLA / Luxembourg Stock Exchange / other and to] trading on [specify relevant regulated market] with effect from [].] [Not Applicable.]

Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

(ii) Estimate of total expenses [] related to admission to trading:

2. RATINGS

Ratings: The Notes to be issued have been rated:
[S & P: AA- [A+ for Subordinated Debt]]
[Moody's: Aaa [Aa1 for Subordinated Notes]]
[[Other]: []]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

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

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

** If an issue of Notes is not admitted to trading on a regulated market or the PSM or offered to the public in the EEA in circumstances requiring publication of a prospectus then certain items are not mandatory, including section 2 – 8 and 10 of this Part B.

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

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

[(i) Reasons for the offer []
(See [“Use of Proceeds”] wording in Prospectus – if reasons for offer different from that set out in the Prospectus will need to include those reasons here.)]

[(ii)] Estimated net proceeds: ●

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

[(iii)] Estimated total expenses: ●

[N.B.: If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.]

5. [Fixed Rate Notes only – YIELD

Indication of yield: ●

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

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

6. [Index-Linked Notes only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, [EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.] [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

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

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

[Identify source of all third party information.]

7. PERFORMANCE OF [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE(S) OF EXCHANGE/FORMULA/CURRENCIES]] (Currency Linked Notes Only)

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)

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

[Identify source of all third party information.]

8. PERFORMANCE OF [THE COMMODITY], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY]] (Commodity Linked Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of where past and future performance and volatility of [the Commodity] can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

9. PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING (Dual Currency Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

10. PERFORMANCE OF [UNDERLYING EQUITY / BASKET OF UNDERLYING EQUITIES / REFERENCE FUND / BASKET OF REFERENCE FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING EQUITY / BASKET OF UNDERLYING EQUITIES / REFERENCE FUND / BASKET OF REFERENCE FUNDS (Equity Linked Notes And Fund Linked Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive

explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)

Where the underlying is Equity or an investment or mutual fund, need to include the name of underlying and need to include details of where the information about the Equity can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

11. INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY] (Credit Linked Notes Only)

If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

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

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

[Identify source of all third party information.]

12. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Societe Anonyme, their addresses and the relevant identification number(s): [Not Applicable/*give name(s), address(es) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Name(s) and address(es) of Initial Paying Agents, Registrar and Transfer Agents: []
- (vi) Names and addresses of additional Paying Agent(s), [Registrar and Transfer Agents] (if any): []
- (vii) Name(s) and address(es) of Calculation Agent(s): [Not Applicable/[]]
- (viii) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No] [Not Applicable]
[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safe-keeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria] [include this text if “yes” is selected *in which case the Notes must be issued in NGN form*]

ROYAL BANK OF CANADA

The information appearing below is supplemented by the more detailed information contained in the documents incorporated by reference in the Base Prospectus. See paragraphs (a) – (c) of the section entitled “Documents Incorporated by Reference”.

History and Development of the Issuer

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

The Bank’s corporate headquarters are located at Royal Bank Plaza, 200 Bay Street, Toronto, Ontario, Canada M5J 2J5 and the telephone contact number is +1 (416) 974-5151. The head office is located at 1 Place Ville Marie, Montreal, Quebec, Canada H3C 3A9.

Principal Activities and Markets

The Bank and its subsidiaries operate under the master brand name RBC. All references in this section entitled “**Royal Bank of Canada**” to “**the Bank**” refer to the Bank and its subsidiaries, unless the context otherwise requires. The Bank is Canada’s largest bank as measured by assets and market capitalization, one of North America’s leading diversified financial services companies and among the largest banks in the world, as measured by market capitalisation. The Bank provides personal and commercial banking, wealth management services, insurance, corporate and investment banking and transaction processing services on a global basis. The Bank employs approximately 80,000 full- and part-time employees who serve more than 18 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 53 other countries.

Effective May 1, 2008, the Bank created its Insurance business segment, formerly a business under Canadian Banking. Concurrent with the realignment, the Bank renamed its U.S. & International Banking segment International Banking. The Bank’s segments are as follows:

- Canadian Banking comprises the Bank’s domestic personal and business banking operations and certain retail investment businesses.
- Wealth Management businesses serve affluent and high net worth clients around the world, and provide asset management and estate and trust services directly to clients and through its internal partners and its third-party distributors.
- Insurance offers a wide range of life, health, travel, home and auto insurance products and creditor insurance services to individual and business clients in Canada and the U.S. The Bank also offers reinsurance for clients around the world.

- International Banking comprises the Bank’s banking businesses in the U.S. and Caribbean, and global custody and investor services, which the Bank provides through its 50 per cent. ownership in RBC Dexia Investor Services (RBC Dexia IS).
- Capital Markets comprises the Bank’s global wholesale banking business, which provides a wide range of corporate and investment banking, sales and trading, and research and related products and services to corporate, public sector, institutional and retail clients in North America and specialised products and services in select global markets.
- Corporate Support segment activities includes the Bank’s global technology and operations group, corporate treasury, finance, human resources, risk management, internal audit and other global functions, the costs of which are largely allocated to the business segments.

The Bank’s common shares are listed on the Toronto Stock Exchange, New York Stock Exchange and Swiss Exchange. The trading symbol is “RY”. Its preferred shares are listed on the Toronto Stock Exchange.

Competition

The principal markets in which the Bank competes as at October 31, 2008 are described in the Annual Information Form incorporated by reference herein.

Organisational Structure

The Bank’s principal subsidiaries as at October 31, 2008 are described in the Annual Information Form incorporated by reference herein.

PRESENTATION OF FINANCIAL RESULTS

With the exception of the figures for return on common equity, the information in the tables appearing under “Financial Summary” below was prepared in accordance with Canadian GAAP.

FINANCIAL SUMMARY

With the exception of the figures for return on common equity, other liabilities and shareholders’ equity, information in the tables below for the years ended October 31, 2008 and 2007 has been extracted from the audited financial statements of the Bank for the years ended October 31, 2008 and 2007 contained in the Bank’s 2008 Annual Report, which statements are incorporated by reference in this Prospectus together with the accompanying notes and the report of the auditors as it relates to their opinion on the financial statements as further described on page 37 of this Prospectus. The figures for return on common equity, other liabilities and shareholders’ equity for the years ended October 31, 2008 and 2007 in the table below have been restated as described in footnote 3 to the table below.

An audit comprises audit tests and procedures deemed necessary for the purpose of expressing an opinion on financial statements taken as a whole. An audit opinion has not been expressed on individual balances of accounts or summaries of selected transactions in the table below.

With the exception of the figures for return on common equity, the information in the table below for the six months ended April 30, 2009 and 2008 has been extracted from the unaudited interim consolidated financial statements of the Bank for the six months ended April 30, 2009 contained in the Bank's Second Quarter 2009 Interim Report to Shareholders, which statements are incorporated by reference in this Prospectus. The figures for return on common equity for the six months ended April 30, 2009 and 2008 have been extracted from the Bank's Second Quarter 2009 Interim Report to Shareholders. All figures for the six months ended April 30, 2009 and 2008 are unaudited.

Condensed Consolidated Balance Sheet

	<i>As at April 30, 2009⁽¹⁾</i>	<i>As at April 30, 2008⁽¹⁾</i>	<i>As at October 31, 2008⁽²⁾⁽³⁾</i>	<i>As at October 31, 2007⁽²⁾⁽³⁾</i>
<i>(in millions of Canadian dollars, except per share amounts)</i>				
Loans, net of allowance for loan losses	277,794	257,894	289,540	237,936
Total assets	680,323	627,471	723,859	600,346
Deposits	411,827	399,425	438,575	365,205
Other liabilities	222,854	191,505	242,744	201,404
Subordinated debentures	7,629	6,952	8,131	6,235
Trust capital securities	1,398	1,397	1,400	1,400
Preferred share liabilities	—	300	—	300
Non-controlling interest in subsidiaries	2,150	2,024	2,371	1,483
Shareholders' Equity	34,465	25,868	30,638	24,319

Condensed Consolidated Statement of Income

	Six months ended April 30, 2009 ⁽¹⁾	Six months ended April 30, 2008 ⁽¹⁾	Year ended October 31, 2008 ⁽²⁾⁽³⁾	Year ended October 31, 2007 ⁽²⁾⁽³⁾
<i>(in millions of Canadian dollars, except per share amounts)</i>				
Net interest income	5,917	4,350	9,360	7,702
Non-interest income	7,785	6,251	12,222	14,760
Total revenue	13,702	10,601	21,582	22,462
Provision for credit losses	1,721	642	1,595	791
Insurance policyholder benefits, claims and acquisition expense	2,034	1,164	1,631	2,173
Non-interest expense	7,197	6,090	12,351	12,473
Net Income	1,003	2,173	4,555	5,492
Earnings per Share				
– basic	\$0.65	\$1.66	\$3.41	\$4.24
– diluted	\$0.65	\$1.64	\$3.38	\$4.19
Return on Common Equity	6.2%	18.6%	18.1%	24.7%

¹ The amounts (other than return on common equity) have been extracted from the Bank's unaudited interim consolidated financial statements incorporated by reference in this Prospectus. The amounts under return on common equity have been extracted from the Bank's Second Quarter 2009 Interim Report to Shareholders.

² The amounts (other than return on common equity) have been extracted from the Bank's audited consolidated financial statements incorporated by reference in this Prospectus.

³ The amounts under other liabilities, shareholders' equity and return on common equity, have been restated as the Bank identified the following errors pertaining to prior periods: an under accrual of \$90 million (\$62 million after tax) of the Bank's card points liability; a \$63 million (\$43 million after-tax) over capitalization of software development costs; and a \$15 million understatement of income taxes. These errors are not material to the periods to which they relate. However, as correcting the errors in the second quarter of 2009 would have materially distorted net income for the quarter, the Bank has corrected them by decreasing opening retained earnings for the quarter ended January 31, 2007 by \$120 million. These amounts have been extracted from the Second Quarter 2009 Unaudited Supplementary Financial Information.

DIRECTORS

The Directors of the Bank, each of whose address is the executive offices of the Bank, Royal Bank Plaza, 200 Bay Street, 9th Floor, South Tower, Toronto, Ontario, Canada M5J 2J5, their function in the Bank and their other principal activities (if any) outside the Bank of significance to the Bank, are as follows:

Name	Function	Other Principal Activities outside the Bank
W. Geoffrey Beattie Toronto, Ontario	Director	President and Chief Executive Officer, The Woodbridge Company Limited Deputy Chairman, Thomson Reuters Corporation and Thomson Reuters PLC
Douglas T. Elix Ridgefield, Connecticut	Director	Corporate Director
John T. Ferguson Edmonton, Alberta	Director	Founder, Chairman and Chief Executive Officer, Princeton Developments Ltd. and Princeton Ventures Ltd.
The Hon. Paule Gauthier Quebec City, Quebec	Director	Senior Partner, Stein Monast L.L.P.
Timothy J. Hearn Calgary, Alberta	Director	Corporate Director
Alice D. Laberge Vancouver, British Columbia	Director	Corporate Director
Jacques Lamarre Montreal, Quebec	Director	Corporate Director
Brandt C. Louie Burnaby, British Columbia	Director	Chairman and Chief Executive Officer, H.Y. Louie Co. Limited Chairman, London Drugs Limited

Michael H. McCain Toronto, Ontario	Director	President and Chief Executive Officer, Maple Leaf Foods Inc.
Gordon M. Nixon Toronto, Ontario	President and Chief Executive Officer	_____
David P. O'Brien Calgary, Alberta	Chairman of the Board	Chairman of the Board, EnCana Corporation
J. Pedro Reinhard Miami, Florida	Director	President, Reinhard & Associates
Edward Sonshine Toronto, Ontario	Director	President and Chief Executive Officer, RioCan Real Estate Investment Trust
Kathleen P. Taylor Toronto, Ontario	Director	President and Chief Operating Officer, Four Seasons Holdings Inc.
Victor L. Young St. John's, Newfoundland and Labrador	Director	Corporate Director

There are no potential conflicts of interests between any duties owed to the Bank by the Directors and the private interests and/or other duties owed by these individuals. If a Director were to have a material interest in a matter being considered by the Board or any of its Committees, such Director would not participate in any discussions relating to, or any vote on, such matter.

MAJOR SHAREHOLDERS

To the extent known to the Bank, the Bank is not directly or indirectly owned or controlled by any person. The Bank Act prohibits any person from having a "significant interest" in any class of shares of the Bank, that is, from beneficially owning more than 10 per cent. of the outstanding shares of the class either directly or through controlled entities, without the approval of the Minister of Finance of Canada. A person may, with the approval of the Minister of Finance, beneficially own up to 20 per cent. of a class of voting shares and up to 30 per cent. of a class of non-voting shares of the Bank.

MATERIAL CONTRACTS

The Bank has not entered into any contracts outside the ordinary course of the Bank's business which could materially affect the Bank's obligations in respect of any Notes to be issued by the Bank other than, with respect to any Notes, the contracts described in "Subscription and Sale" and in "Terms and Conditions of the Notes".

TAXATION

Canada

The following summary describes the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the “**Act**”) and Income Tax Regulations (the “**Regulations**”) generally applicable to a holder of Notes who acquires Notes pursuant to the Prospectus, and who, for the purposes of the Act, at all relevant times, is not resident and is not deemed to be resident in Canada, who deals at arm’s length with the Issuer and any Canadian resident (or deemed Canadian resident) to whom the holder disposes the Notes, and who does not use or hold and is not deemed to use or hold Notes in or in the course of carrying on a business in Canada and is not an insurer carrying on an insurance business in Canada and elsewhere (a “**Non-resident Holder**”).

This summary is based upon the provisions of the Act and the Regulations in force on the date hereof, proposed amendments to the Act and the Regulations in a form publicly announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (included for this purpose in the reference to the Act and Regulations) and the current administrative practices and policies published in writing by the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in law, whether by legislative, governmental or judicial action or interpretation, nor does it take into account provincial, territorial or foreign income tax legislation. Subsequent developments could have a material effect on the following description.

Canadian federal income tax considerations applicable to Notes may be described more particularly, when such Notes are offered (and then only to the extent material), in the Final Terms related thereto. In the event the Canadian federal income tax considerations are described in such Final Terms, the following description will be superseded by the description in the Final Terms to the extent indicated therein.

Interest paid or credited or deemed to be paid or credited by the Issuer on a Note (including any amount paid at maturity in excess of the principal amount and interest deemed to be paid on the Note in certain cases involving the assignment or other transfer of a Note to a resident or deemed resident of Canada) to a Non-resident Holder will not be subject to Canadian non-resident withholding tax unless any portion of such interest (other than on a “prescribed obligation” described below) is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of the capital stock of a corporation (a “**Participating Debt Interest**”). A “**prescribed obligation**” is a debt obligation the terms or conditions of which provide for an adjustment to an amount payable in respect of the obligation for a period during which the obligation was outstanding which adjustment is determined by reference to a change in the purchasing power of money and no amount payable in respect thereof, other than an amount determined by reference to a change in the purchasing power of money, is contingent or dependent upon any of the criteria described in the definition of Participating Debt Interest. **If any interest paid or credited or deemed to be paid or credited on a Note is to be calculated by reference to an index, security, commodity, fund or formula such interest may be subject to Canadian non-resident withholding tax. The Canadian withholding tax implications of such an issuance will be described particularly in the relevant Final Terms if such Notes are offered.**

In the event that a Note which is not exempt from Canadian withholding tax according to its terms is redeemed, cancelled, repurchased, converted pursuant to Condition 24(ii), as applicable, or purchased by the Issuer or any other person resident or deemed to be resident in Canada from a Non-resident Holder or is otherwise assigned or transferred by a Non-resident Holder to a person resident or deemed to be resident in Canada for an amount which exceeds, generally, the issue price thereof or in certain cases the price for which such Note was assigned or transferred by a person resident or deemed to be resident in Canada to the Non-resident Holder, the excess may, in certain circumstances, be deemed to be interest and may be subject to non-resident withholding tax if the Note is not considered to be an “excluded obligation” for purposes of the Act. A Note that was issued for an amount not less than 97% of the principal amount (as defined for the purposes of the Act) of the Note, and the yield from which, expressed in terms of an annual rate (determined in accordance with the Act) on the amount for which the Note was issued does not exceed 4/3 of the interest stipulated to be payable on the Note, expressed in terms of an annual rate on the outstanding principal amount from time to time will be an excluded obligation for this purpose.

Generally, there are no other taxes on income (including taxable capital gains) payable in respect of a Note or interest, discount, or premium thereon by a Non-resident Holder.

The foregoing summary is of a general nature only, and is not intended to be, nor should it be considered to be, legal or tax advice to any particular person including any Non-resident Holder. Any prospective investor, including any Non-resident Holders, should therefore consult their own legal and/or tax advisors with respect to their particular circumstances.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer’s understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Notes issued by the Issuer’s London branch

In relation to Deposit Notes, the Issuer, provided that it continues to be a bank within the meaning of section 991 of the *Income Tax Act 2007* (the “UK Act”), and provided that the interest on the Deposit Notes is paid in the ordinary course of its business within the meaning of section 878 of the UK Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Subordinated Notes and the Deposit Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a “recognised stock exchange” within the meaning of section 1005 of the UK Act. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) by the United Kingdom Listing Authority and admitted to trading on the London Stock

Exchange (which would include being admitted to trading on the London Stock Exchange Regulated Market or the Professional Securities Market). Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on the Deposit Notes and Subordinated Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest, provided that HM Revenue & Customs has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Deposit Notes and the Subordinated Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme of arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount generally must be withheld from payments of interest on the Deposit Notes and Subordinated Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

UK Information Gathering Powers

Noteholders (whether or not the Notes they hold are issued by the Issuer's London branch) may wish to note that, in certain circumstances, HM Revenue & Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder. Any person in the United Kingdom (including any United Kingdom based paying agent) who pays amounts payable on redemption of Notes which are deeply discounted securities for the purposes of the *Income Tax (Trading and other Income) Act 2005* to, or receives such amounts for the benefit of, another person may also be required by HM Revenue & Customs to provide certain information (which may include the name and address of the beneficial owner of the amount payable on redemption) to HM Revenue & Customs although HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise this power where such amounts are paid on or before 5 April 2010. Any information obtained may, in certain circumstances, be exchanged by HM Revenue & Customs with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (herein, the “**Savings Tax Directive**”), each Member State is required to provide to the tax authorities of another

Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries) subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories, including Switzerland, have adopted similar measures (in the case of Switzerland, a withholding system has been adopted).

On September 15, 2008, the European Commission issued a report to the Council of the European Union on the operation of the Savings Tax Directive, which included the Commission's advice on the need for changes to the Savings Tax Directive. On November 13, 2008, the European Commission published a proposal for amendments to the Savings Tax Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on April 24, 2009. If any of the proposed changes are made in relation to the Savings Tax Directive, they may broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Barclays Bank PLC, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG London, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Royal Bank of Canada Europe Limited and UBS Limited (the “**Dealers**”). Notes may also be sold by the Issuer directly to institutions who are not Dealers. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated dealership agreement dated July 16, 2009 (as amended, supplemented or replaced, the “**Dealership Agreement**”) and made between the Issuer and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

Royal Bank of Canada Europe Limited is an affiliate of the Bank.

Canada

The Notes have not been and will not be qualified for sale under the securities laws of any province or territory of Canada.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or distributed, and that it will not offer, sell or distribute any Notes, directly or indirectly, in Canada or to, or for the benefit of any resident thereof.

If the applicable Final Terms provides that the Notes may be offered, sold or distributed in Canada, the issue of the Notes will be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree, as specified in the applicable Final Terms or Drawdown Prospectus. Each Dealer will be required to agree that it will offer, sell and distribute such Notes only in compliance with such additional Canadian selling restrictions.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, not to distribute or deliver this Prospectus, any Drawdown Prospectus or any other offering material relating to the Notes, in Canada in contravention of the securities laws of Canada or any province or territory thereof.

United States of America

Regulation S, Category 2, TEFRA D Rules apply, unless TEFRA C Rules are specified as applicable in the applicable Final Terms or unless TEFRA Rules are not applicable. Rule 144A eligible, if so specified in the applicable Final Terms.

Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities

Act. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Dealership Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Notes comprising the relevant Tranche (the “**Distribution Compliance Period**”), as certified to the Issuing and Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case the Issuing and Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the Distribution Compliance Period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act (if available).

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”) following the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the applicable Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable;

- (b) at any time to any legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors, as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer;
- (e) at any time if the denomination of the Notes being offered amounts to at least €50,000; or
- (f) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer(s) to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an Investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Selling Restrictions addressing additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of France

The Issuer and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the Autorité des marchés financiers (the “**AMF**”), on the

date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the Prospectus Directive, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF; or

- (b) it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, articles L 411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Italy

The offering of any Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, any Notes in the Republic of Italy (“**Italy**”) in a solicitation to the public, and that sales of the Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Notes or distribute copies of the Prospectus or any other document relating to the Notes in Italy except:

- (a) to “Qualified Investors” (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (“**Decree No. 58**”) and as defined under Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**CONSOB Regulation No. 11971**”); or
- (b) in any other circumstances where an express exemption from compliance with the public offering restrictions applies, as provided under Article 100 of Decree No. 58 or CONSOB Regulation No. 11971.

Any offer, sale or delivery of any Notes or distribution of copies of the Prospectus and any supplement thereto or any other document relating to the Notes in Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”), Decree No. 58 and, CONSOB Regulation No. 16190 of 29 October 2007 (in each case, as amended) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time,

pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy; and

- (iii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Please note that in accordance with Article 100-bis of the Consolidated Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Consolidated Financial Services Act and CONSOB Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “**FIEA**”). Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan except pursuant to an exemption from the registration requirements of and otherwise under circumstances which will result in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or

only to “professional investors” as defined in the Securities and Futures Ordinance of Hong Kong and any rules made under that Ordinance.

General

Other than the approval of this Prospectus as a base prospectus by the UK Listing Authority and the request for certificates of approval to be delivered to the competent authorities in various Member States of the EEA identified as Public Offer Jurisdictions in the applicable Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in such country or jurisdiction where action for that purpose is required. Persons into whose hands the Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the applicable Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

GENERAL INFORMATION

1. The listing of the Notes on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Notes which is to be listed on the Official List and to trading on the Market or the PSM will be admitted separately upon submission of the applicable Final Terms and any other information required, subject to the issue of the relevant Notes. Prior to official listing, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. The listing of the Programme in respect of the Notes is expected to be granted on or about July 20, 2009.

Notes may be issued pursuant to the Programme which will not be admitted to the Official List or to trading on the Market or the PSM or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

2. The Transparency Obligations Directive 2004/109/EC of the European Parliament and of the Council of December 15, 2004 (the “**TOD**”), which relates to information about issuers whose securities are admitted to trading on a regulated market in the European Economic Area was published in the Official Journal of the EU on December 31, 2004. The TOD has been implemented in some Member States but its full impact on the Issuer is not yet clear. At present, the Issuer’s financial statements are not prepared in accordance with, or reconciled to, IFRS or International Accounting Standards (“**IAS**”) or audited in accordance with International Standards on Auditing (“**ISA**”) and do not contain any additional quantitative or qualitative disclosures relating to significant differences between IFRS and Canadian GAAP, nor any auditor’s report relating thereto. The TOD contains provisions which, when applied to any Notes issued under the Programme and admitted to trading on a regulated market in the European Economic Area, will have the effect of either requiring the Issuer to prepare its financial statements in accordance with, or reconciled to, IAS and IFRS or to have them audited in accordance with ISA or to provide the above-noted additional disclosures and a related audit report in order for the Notes to remain listed on a regulated market in the European Economic Area, unless it is determined that Canadian law imposes “equivalent” requirements in all respects. It is unknown as of the date of this Prospectus whether the requirement to prepare financial statements in accordance with Canadian GAAP and have them audited in accordance with Canadian generally accepted auditing standards (“**Canadian GAAS**”) or the form of financial reporting required by Canadian law (including the management report and officers’ certifications) will be determined to be “equivalent” in all respects to the requirements of the TOD.

In December 2006, the European Union passed Commission Regulation (EC) No. 1787/2006 and a Commission Decision (2006/891/EC) permitting non-EEA issuers, such as the Bank, to use among others Canadian GAAP in prospectuses filed under the Prospectus Directive and financial reporting under the TOD until financial years beginning on or after January 1, 2009. On December 22, 2007, the European Commission published Commission Regulation (EC) No. 1569/2007 (the “**Equivalence Regulation**”) permitting the European Commission to extend these transitional measures to financial years beginning prior to January 1, 2012, provided that the relevant accounting standards setter in the non-EEA country (such as Canada) had before June 30, 2008 publicly committed to adopt IFRS before December 31, 2011 and taken effective measures to ensure the timely and complete transition to IFRS by that date. In June 2006, the

Canadian accounting standards setter (the AcSB) publicly announced a proposal to adopt IFRS by January 1, 2011. This definitive timetable was confirmed on February 13, 2008 by the AcSB after an ongoing progress review had been completed.

On June 2, 2008, in accordance with Article 4 of the Equivalence Regulation and after the recommendation from the Committee of European Securities Regulations, the European Commission published proposals for a Commission Regulation and Commission Decision which would permit non-EEA issuers, such as the Bank, to use Canadian GAAP historical financial information in prospectuses filed under the Prospectus Directive and financial reports under the TOD, in respect of financial years beginning prior to January 1, 2012. On December 12, 2008, the European Commission announced the adoption of measures which determine the equivalence of Canadian GAAP and IFRS. However, the European Commission is required by the Equivalence Regulation to regularly review compliance with the conditions to the transitional relief set out above and to revoke the transitional relief if such conditions are no longer met.

In the event that (i) any law implementing or complying with, or introduced in order to conform to the TOD requires the Issuer or any of its affiliates to (a) prepare its financial statements in accordance with, or reconciled to, IAS and IFRS; (b) provide additional quantitative or qualitative disclosures regarding significant differences between Canadian GAAP and IFRS or any additional auditor's report relating to such disclosures; (c) change the form of its financial reports in any other respect (other than Canadian GAAP and Canadian GAAS); or (d) have its financial statements audited in accordance with ISA or (ii) any other future law or rule of the London Stock Exchange or any other securities exchange or any competent authority or securities regulator or EU Directive (including any corporate governance requirements) is introduced that would otherwise impose requirements on the Issuer or any of its affiliates that it in good faith determines are impracticable or unduly burdensome in order to maintain the continued listing of any Notes issued under the Programme on a regulated market in the European Economic Area, the Issuer may, in its sole discretion, determine that it is unduly burdensome to maintain such listing and seek to terminate the listing of such Notes provided it uses all reasonable endeavours to seek an alternative admission to listing, trading and/or quotation of such Notes by another listing authority, securities exchange and/or quotation system that it deems appropriate. However, if such alternative listing is not available or, in the opinion of the Issuer is impractical or unduly burdensome, an alternative listing may not be obtained. Subject to the foregoing, the Issuer is not under any obligation to Holders to maintain any listing of Notes in such circumstances. Although there is no assurance as to the liquidity of any Notes as a result of the listing on a regulated market in the European Economic Area, delisting such Notes may have a material affect on the ability to (a) continue to hold such Notes or (b) resell the Notes in the secondary market.

3. The establishment of the Programme and the issue of Notes was authorised by resolutions of the Board of Directors of the Issuer passed on July 8, 1997, July 7, 1998, July 7, 1999, July 6, 2000, July 11, 2001, July 10, 2002, June 28, 2005, June 27, 2006 and April 17, 2007 and Administrative Resolutions of the Board of Directors of the Issuer adopted on October 14, 2004 as amended as of November 30, 2004, August 26, 2005, October 18, 2005, December 9, 2005, April 11, 2006, August 25, 2006 and January 23, 2007, May 25, 2007, November 30, 2007, May 29, 2008 and January 23, 2009, respectively. The issue of Subordinated Notes is also subject to a Standing Resolution of the Board of Directors dated February 25, 2009 or any subsequent resolution replacing such Standing Resolution as is specified in the Final Terms for any Subordinated Notes. The Issuer has obtained or

will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

4. Other than as noted in note 15 to the unaudited interim consolidated statements for the three and six-month periods ended April 30, 2009 set out on page 51 of the Bank's Second Quarter 2009 Report and incorporated by reference herein, there are no, nor have there been any governmental, legal or arbitration proceedings involving the Issuer or any of its subsidiaries (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the twelve months prior to the date of this document, individually or in the aggregate, a significant effect on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries taken as a whole.
5. Since April 30, 2009, the last day of the financial period in respect of which the most recent unaudited interim consolidated financial statements of the Issuer have been prepared, there has been no significant change in the financial position of the Issuer and its subsidiaries taken as a whole. Since October 31, 2008, the last day of the financial period in respect of which the most recent audited published consolidated financial statements of the Bank have been prepared, there has been no material adverse change in the prospects of the Bank and its subsidiaries taken as a whole.
6. The auditors of the Issuer are Deloitte & Touche LLP ("**D&T**") who are Independent Registered Chartered Accountants and Licensed Public Accountants and subject to oversight by the Canadian Public Accountability Board and Public Company Accounting Oversight Board. D&T is independent of the Bank within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accounts of Ontario and has no material interest in the Bank. The address for D&T is set out on the last page hereof.
7. The consolidated financial statements for the years ended October 31, 2008 and 2007 prepared in accordance with Canadian GAAP, were audited in accordance with Canadian generally accepted auditing standards by D&T and in accordance with the standards of the Public Company Accounting Oversight Board by D&T. D&T expressed an unqualified opinion thereon in their report dated December 4, 2008.
8. For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents may be inspected during normal business hours at the specified office of the Issuing and Paying Agent and the Registrar and obtained from the executive and head offices of the Issuer, namely:
 - (i) the *Bank Act* (Canada) (being the charter of the Issuer) and by-laws of the Issuer;
 - (ii) the Issue and Paying Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipt and the Talons);
 - (iii) the Dealership Agreement;
 - (iv) the Deed of Covenant;
 - (v) the Annual Report of the Issuer for the two most recently completed fiscal years, which includes audited annual comparative consolidated financial statements of the Issuer and the auditors' reports thereon;
 - (vi) the most recent quarterly report including the unaudited interim consolidated financial statements;

- (vii) each Final Terms for a Tranche of Notes that is offered to the public or admitted to trading on a regulated market in any Member State of the European Economic Area in circumstances requiring publication of a prospectus in accordance with Directive 2003/71/EC and any relevant implementing measure or admitted to trading on the PSM;
 - (viii) a copy of the Prospectus together with any supplementary listing particulars or other supplement to the Prospectus or Drawdown Prospectus; and
 - (ix) a copy of the subscription agreement for Notes issued on a syndicated basis which are admitted to the Official List.
9. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg which are the entities in charge of keeping the records in respect of the Notes. The appropriate common code and International Securities Identification Number for the relevant Notes will be contained in the Final Terms relating thereto. If the Notes are to clear through an additional or alternative clearing system, the appropriate information (including address) will be specified in the applicable Final Terms. The address of Euroclear is 3 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.
 10. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
 11. Bearer Notes (other than Temporary Global Notes) and any Coupon appertaining thereto will bear a legend substantially to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.” The sections referred to in such legend provide that a United States person who holds a Bearer Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Bearer Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
 12. Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Issuing and Paying Agent or, as the case may be, the Registrar in relation to each Tranche of Notes.
 13. Unless otherwise provided in the applicable Final Terms, the Issuer has no intention to provide any post-issuance information in relation to any issue of Notes.

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